

From The Desk Of Barbara Sweeney

It was great to see so many familiar faces and to visit with many of you at the three CRD conferences we held earlier this year. The turnout at the Los Angeles, Chicago, and Washington, DC events was gratifying. As all of us, the CRD/Public Disclosure Department and member firms, are “transitioning through change,” it was particularly timely and appropriate that we were able to meet together and exchange information on topics of mutual interest: disclosure, PDP/I, and CRD modernization. Be assured that we will continue to provide you with updates on these and other issues vital to registration and licensing professionals through upcoming issues of the *CRD/PD Bulletin*, as well as on our Web Site (www.nasdr.com), so that we can anticipate and plan for the many changes which still lie ahead.

With the 1999 renewals season upon us, I urge you to read this issue of the *Bulletin* closely. It contains many tips on how to complete your firm’s renewals process without incurring delays that could cause added expense and stress.

Sincerely,



Barbara Z. Sweeney
Director, CRD/Public Disclosure Department

CRD/PD Bulletin



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In This Issue:

The November 1998 issue of the CRD/PD Bulletin is devoted exclusively to the 1999 renewals process. It includes the timeline, fees, key addresses, and telephone numbers you will need as the 1999 renewals process begins later this month. Please keep this issue of the Bulletin as a resource you can consult in the coming weeks and months.

1999 Renewals Process Begins

Broker/Dealer, Investment Adviser, And Agent Renewals For 1999 Are Due

The annual state and self-regulatory organization (SRO) renewal and registration process begins in November. NASD Regulation, Inc., mailed the initial renewal invoices to all member firms and Virginia investment adviser firms beginning November 9. The amount due reflects fees assessed for all agent and firm registration approvals *as of the invoice date*.

The initial renewal invoices for 1999 will reflect changes to the fee structure of the Central Registration Depository (CRDSM) approved by the National Association of Securities Dealers, Inc. (NASD[®]) Board of Governors in early October. Among these changes is a renewal processing fee of \$15 per year per registered representative or principal. For additional information on the various changes to the CRD fee structure, please refer to "NASD Board Approves CRD Fee Changes" on page 17 of this issue of the *CRD/PD Bulletin*.

NOVEMBER 1998



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What Member Firms Will Receive In November:

1. Initial Invoice. *The invoice will list:*

- ❖ The number of agents registered with the NASD as of the invoice date and the portion of the NASD annual assessment due with respect to these agents. This appears on the invoice as the NASD Personnel Assessment Fee.
- ❖ The Renewal Processing Fee due with respect to the agents registered with the NASD.
- ❖ The number of branch offices registered with the NASD and the amount due to maintain the registration of these offices.
- ❖ The number of agents registered in specific jurisdictions and the amount due to maintain the registrations of the agents in the jurisdictions.
- ❖ The jurisdictions in which the firm is registered and the amount due to maintain the firm's registration in specific jurisdictions.

2. Branch Office Roster. The roster lists each branch office registered with the NASD and lists branch offices for which the firm is being assessed a fee. The list is sorted alphabetically by state, then by city. Use this roster to reconcile your records. Use Form BD Schedule E to update information or close a branch office.

3. Roster of Agents with no NASD Registration.

Form U-4 applications that are on file and that do not have corresponding NASD agent registrations will create discrepancies. These discrepancies often result from incomplete applications, money deficiencies, or agents not meeting the qualifications requirements within the 180-day allotted time period. The agents appearing on this list need to be either fully terminated via a Form U-5, or made current by resubmitting Page 1 of the Form U-4 to request an NASD registration and license. **A firm will not receive this roster if all its agents have NASD registrations.**

Initial Invoices

Member firms **must** pay the amount due shown on the invoice on or before the deadline to ensure that registrations will continue without interruption. **The 1999 renewal deadline is December 11, 1998.**

If a firm is unable to reconcile differences between NASD Regulation's and the firm's records, the firm can contact the CRD/PD Gateway Call Center at 301.869.6699 to request a roster of its agents. The charge for the hard-copy roster is \$100, plus \$.15 per page.

Keep in mind that the initial renewal invoice was calculated on October 31, 1998. If you do not want to be charged the 1999 renewal fee (agent, branch office, or jurisdiction) for registrations the firm no longer needs, NASD Regulation recommends that you file the proper notification of termination via Forms U-5, BDW, or BD Schedule E as soon as possible. **Note: This is not an option for registrations needed through year end.**

NASD Regulation collects **agent** renewal fees for the New York Stock Exchange (NYSE), American Stock Exchange (Amex), Chicago Board Options Exchange (CBOE), Pacific Exchange (PSE), Philadelphia Stock Exchange (PHLX), all states, Puerto Rico, and the District of Columbia. The only state that does not participate in NASD Regulation's agent renewal process is California. In addition, NASD Regulation does not collect **broker/dealer** renewal fees for Ohio or Puerto Rico. The firm will be charged for only the affiliations in which it has an **approved** registration.

States and exchanges that collect their own broker/dealer renewal fees are identified on both the SRO/State Fee Schedule and on your firm's renewal invoice as a non-participant (N/P) in the BD renewal (BD/R/N) column. The SRO/State Fee Schedule is included at the end of this article.

If the firm is registered in a jurisdiction that is a non-participant in this year's broker/dealer renewal program, the firm should contact the jurisdiction directly to ensure that the firm is in compliance with the renewal requirements



of that jurisdiction. Some jurisdictions may require a firm to take additional steps beyond the payment of fees to complete the broker/dealer renewal process. Please contact the jurisdictions where your firm is registered for further information on their renewal requirements. A list of addresses and phone numbers for all states/SROs that participate in CRD appears at the end of this article. NASD Regulation also provides this list on the NASD Regulation Internet Web Site (www.nasdr.com).

If your firm has not received a renewal packet by November 23, 1998, contact the CRD/PD Gateway Call Center to request a duplicate. If you need a duplicate packet, please be certain to verify your CRD mailing address with the Customer Satisfaction Representative. Requests for packets to be sent via overnight mail will be charged to the member firm.

Additional information concerning renewals will also appear in an upcoming issue of *NASD Notices to Members*.

NASD Personnel Assessment And Renewal Processing Fees

The NASD Personnel Assessment Fee and the Renewal Processing Fee for 1999 are based on the number of approved NASD agents as of December 31, 1998. The branch office fee is based on the active NASD branch offices as of December 31, 1998. The Personnel Assessment Fee is \$10 per registered person. The Renewal Processing Fee is \$15 per registered person. This fee was approved by the NASD Board of Governors at its October 8, 1998 meeting. The branch office assessments are \$75 per branch.

Any Form U-4 or Page 1 amendment that is processed and results in an approved registration on or before December 24, 1998, will incur a renewal fee charge for that new approval on the final adjusted invoice that will be mailed in January 1999. Thus, NASD Regulation suggests that no new registration requests nor applications be sent to NASD Regulation until after the CRD system has shut down for the year on December 24.

To ensure eligibility to do business in the jurisdictions where your firm and/or agents are currently registered, NASD Regulation **must** receive payments on or before **DECEMBER 11, 1998. THIS IS THE DEADLINE FOR THE 1999 RENEWALS PROCESS.**

Agent Withdrawals

For agents who will not be renewed for 1999, NASD Regulation must receive a completed, **non-deficient Form U-5** no later than **December 11, 1998**. From November 2 to December 11, 1998, NASD Regulation will accept and process termination forms with **post-dated termination dates**. An agent may continue doing business in the jurisdiction marked for termination on these Forms U-5 until the date of termination, provided that the date of termination is on or before December 31, 1998. Post-dated Forms U-5 cannot be processed during this period if the date of termination is after December 31, 1998.

Exercise **caution** when submitting post-dated Forms U-5. NASD Regulation will process these forms as they are received. **However, once the form is processed, the post-dated termination cannot be withdrawn.** To re-register an agent, the firm will need to file a new Form U-4 after the date of termination indicated on the Form U-5; new registration fees will then be charged.

For firms that participate in the **Firm Access Query System** (FAQS), NASD Regulation encourages members to file Forms U-5 electronically. FAQS offers several advantages, such as immediate processing of terminations, ensuring in-house control over agent registrations, and reducing regular and express mailing costs, as well as long-distance telephone charges. See Chapter 10 of the *FAQS User Guide* for instructions on electronic filings.

FAQS also allows firms to quickly and efficiently handle the large filing volumes that typically occur at the end of every year. NASD Regulation will again provide expanded on-line hours for FAQS users in November and December. During this period, users may access the system from 7 a.m. to 11 p.m., Eastern Time (ET),

Mondays through Fridays, and from 9 a.m. to 5 p.m., ET, on Saturdays.

Here are some tips to assist in successfully completing the Form U-5:

- ❖ **In item #3**, list the full name of the firm. In form processing, NASD Regulation identifies affiliated firms by the name, not the CRD number.
- ❖ **In item #9**, mark either the “Full” or “Partial” termination box. “Full” indicates termination from *all* jurisdictions, while “Partial” means termination from only the specified jurisdiction, not including the NASD.
- ❖ **In item #11**, enter the full date of termination (month/day/year).
- ❖ **In items #13, 14, and 15**, answer the questions “yes” or “no.”
- ❖ **In the signatory block**, provide original signatures and full dates.

State And SRO Withdrawals

NASD Regulation must receive a Form BDW no later than **December 11, 1998**, if a firm wants to terminate its membership with the NASD or a jurisdiction. From November 2 to December 11, 1998, NASD Regulation will accept post-dated Forms BDW if the date of termination is on or before December 31, 1998.

The CRD Phase II program enables firms requesting full or partial terminations to file their Forms BDW directly with the CRD system. Remember, a “Full” termination represents NASD and all jurisdictions, and a “Partial” termination affects any jurisdiction marked with the exception of the NASD and the Securities and Exchange Commission (SEC).

There are six jurisdictions that currently do not participate in the CRD Phase II program. Phase II involves BD Form filings only. They are:

<i>Michigan</i>	<i>(MI)</i>
<i>Puerto Rico</i>	<i>(PR)</i>
<i>American Stock Exchange</i>	<i>(Amex)</i>

New York Stock Exchange (NYSE)

Pacific Exchange (PSE)

Philadelphia Stock Exchange (PHLX)

If the firm requests termination from any of these six jurisdictions, the firm must submit an originally signed, dated, and notarized Form BDW directly to the jurisdiction, as well as to NASD Regulation no later than **December 11, 1998**.

These are some tips to help you successfully complete the Form BDW:

- ❖ Complete the Form in its entirety.
- ❖ Attach a **financial statement** or FOCUS Report. The financial statement must be dated within 10 calendar days of the date that NASD Regulation receives the statement and the Form BDW.
- ❖ Mark in **item #3** either the “Full” or “Partial” termination box. If Partial, mark the jurisdiction from which the firm is withdrawing. Do not check the NASD Regulation box if requesting a partial withdrawal.
- ❖ List in **item #4** the full date of termination (month/day/year).
- ❖ In the **signatory block**, provide an original signature, the full date, and notarize the document.

Branch Office Deletions

If the firm wishes to delete branch offices, NASD Regulation must receive a Form BD Schedule E no later than **December 11, 1998**. The Schedule E is for requesting additions, deletions, and changes to branch office information. From November 2 to December 11, 1998, NASD Regulation will accept post-dated Schedule Es for branch office changes effective on or before December 31, 1998.

Exercise care when submitting post-dated forms. NASD Regulation will process these forms upon receipt, but once a post-dated Schedule E is processed, it cannot be withdrawn. The firm would need to submit a new



Schedule E to re-register the branch office **after the effective date of termination** and a branch registration fee would be assessed.

Schedule E amendments do not require the submission of a Form BD Page 1 (the Execution Page). To assist your firm with the renewal process, NASD Regulation will accept facsimile copies of the Schedule E to effect branch office **deletions only** through **December 11, 1998**.

For firms participating in FAQs, NASD Regulation encourages electronic filing of the Schedule E. You can find instructions for electronic filing of the Schedule E in the *FAQS User Guide*, Chapter 11.

Payment Options

Payment of the Renewal Invoice may be made by:

- ❖ *Wire Transfer.* For wire transfers:
 1. Have your bank contact the Riggs National Bank in Washington, DC.
 2. Give your bank the following information to transact the wire transfer:
 - * ABA number: 054-000030
 - * Beneficiary: NASD Regulation, Inc.
 - * NASD Regulation, Inc. Account Number: 086-761-52
 - * Reference: Firm's Invoice (same as BD number) and "Renewals"
 3. Inform your bank that funds are to be credited to the NASD Regulation, Inc. bank account and use the firm's invoice number as a reference number only.

If you wish to call back later and confirm the transfer, you must have the **Confirmation Number**, which is given to you by your bank. You may contact the NASD Finance Department at 301.590.6088.

- ❖ *Checks Sent Via Overnight Courier or Regular Mail.* Checks sent to NASD Regulation should:
 1. be drawn on the firm's bank account;
 2. be attached to the top portion of the invoice stub;

3. have the firm's CRD number and the word "Renewals" written on the face of the check;
4. be made payable to NASD Regulation; and,
5. be **addressed to the NASD Finance Department**. The address is printed on the invoice and at the end of this article.

- ❖ *Transfer Fees from CRD Account Balance.* If the firm has funds available in its CRD account, the funds may be transferred to the Renewal account. Firms can request this transfer over the phone. Please call the CRD/PD Gateway Call Center at 301.869.6699.

CRD Vs. Renewal Account

Every member firm has two money accounts with the CRD. The first and primary account is called the "CRD" or "Sub-0" account. Most payments are deposited in this account and fees for new registrations, examinations, terminations, FAQs fees, and roster fees are charged to this account. The second account, called the "renewal" or "Sub-1" account, is used only during the renewal season. The payment you send with the invoice stub is deposited in this account. At the end of the year, the jurisdictions are paid for your firm's registration renewal from this account. **You must have funds in this account by December 11 to successfully renew for 1999.** Your account number is the same as your CRD number. The only way NASD Regulation knows you want a payment to be deposited into your firm's renewal account is if it receives the payment with the renewal invoice stub or if the word "renewal" is written on the check.

Tips For A Successful Renewal Season

1. Pay the total amount due. Pay on or before **December 11, 1998**.
2. Send payment directly to: NASD, Finance Department - Renewals, 15201 Diamondback Drive, Rockville, MD 20850. Payments sent to other locations will delay the process and, thus, the firm may fail to renew.
3. Remember to obtain all proper signatures on your firm's check.

4. Remember to write your firm's CRD number and the word "Renewals" on the check.
5. Reconcile your records to ensure you are only paying to renew the registrations you need for 1999.
6. Submit all termination form filings (U-5, BDW, BD Form Schedule E) on or before **December 11, 1998**.

Final Adjusted Invoice Package

All adjustments made on or before **December 11, 1998**, will be reflected in the final adjusted invoices, mailed in mid-January 1999.

The final adjusted invoice will reflect all agent approvals, approved affiliations, and registered branch offices for your firm as of January 1, 1999. The amount due on the initial invoice may differ from the final adjusted invoice, due to agent approvals and terminations processed after the initial invoice is generated, following the CRD shutdown on December 24, 1998.

Any adjustments in fees owed as a result of registration terminations or approvals subsequent to the initial invoice mailing will be made in this final reconciled invoice. If a member has more agents and/or branch offices registered at year's end than it did on the November invoice date, additional fees will be assessed. If a member has fewer agents and/or branch offices registered at year's end than it did in November, a credit/refund will be issued.

What Member Firms Will Receive In January

1. Final Adjusted Invoice. The invoice will list:

- ❖ The number of agents with approved registrations in specific jurisdictions and the amount paid to the jurisdictions to renew the registrations.
- ❖ The jurisdictions in which the firm is registered and the amount paid to the jurisdiction to renew the registration.

- ❖ The number of agents having an approved registration with NASD Regulation for 1999 and the amount paid to NASD Regulation. This appears on the invoice as the NASD Personnel Assessment Fee.
- ❖ The Renewal Processing Fee due with respect to the agents registered with the NASD.
- ❖ The number of branch offices having a renewed registration with NASD Regulation for 1999 and the amount paid to the NASD.
- ❖ The total adjusted amount due and the amount paid by the firm in December. If the amount due is less than the amount paid, the firm will be credited. Conversely, if the amount due is greater than the amount paid, the firm needs to pay the balance.
- ❖ If the firm failed to renew in jurisdictions other than the NASD, only NASD-related fees (*i.e.*, branch fees, registration fees, and the new processing fee) will appear on the invoice. Information and suggestions for reinstating registrations in other jurisdictions are under a different heading in this article.

2. Branch Office Roster. This roster lists each branch office registered with the NASD and able to conduct business in 1999. The list is sorted alphabetically by state, then by city.

3. Billing Code Summary. This report is for the firm's internal accounting reconciliation and **is NOT** an additional billing. It is a report of fees assessed, based on the data supplied by the firm in item #7, "Branch I.D.," of the Form U-4 application. Any combination of letters and characters is captured as a "billing code." NASD Regulation does not use this data to assess fees.

4. Agent and Firm Renewal Roster. NASD Regulation provides hard-copy rosters at no charge to your firm. Roster information is also available on magnetic tape for a fee. If you would like a roster on magnetic tape, please submit your request in writing to Joan Searcy at our Piccard Drive address (all addresses appear at the end



of this article). The cost for these tapes is a \$150 base fee, plus \$.01 per record. NASD Regulation will not begin to produce magnetic tape rosters until January 20, 1999.

More information and instructions about the final adjusted invoice packet will appear on the inside cover of the renewal roster, as well as in the January 1999 issue of *Notices to Members*.

Account Reconciliation

To request a refund check, detach and sign the top portion of the first page of the invoice (the stub) and send it to CRD Accounting (the address appears on the final adjusted invoice, as well as at the end of this article). Invoice stubs must be signed by an officer or principal of the firm and should include the name and address of the person within the firm who should receive the refund. Refund checks will be mailed to the firm promptly after NASD Regulation receives the signed invoice stub. If NASD Regulation does not receive a refund request on or before March 5, 1999, CRD Accounting will begin to transfer credits to the firm's CRD account (Sub-0).

The NASD Finance Department must receive invoice payments that reflect an amount due no later than **March 5, 1999**. Invoices with a zero balance require no further action by the firm.

Roster Discrepancies

March 12, 1999, is the deadline to reconcile all renewal roster discrepancies. Report these in writing directly to the attention of CRD/PD Research, along with supporting documentation (such as Notices of Approval/Termination, copies of Forms U-4 or U-5, or Schedule E amendments). All addresses appear at the end of this article.

Address Corrections

Firms that have made a recent address change must file an updated Form BD with the CRD to reflect this change. In addition to fulfilling legal and regulatory requirements, keeping the firm's mailing address current will ensure that renewal invoices, as well as all other NASD Regulation materials, reach the firm in a timely manner. If your firm needs to update an address on the CRD system, submit a fully completed and originally signed, dated, and notarized Page 1 of Form BD to CRD/PD Organizational Processing. If your firm cannot file the notice prior to sending the invoices (see Key Renewal Dates on page 8), please call the CRD/PD Gateway Call Center to have the renewal package sent to a different address.

If Your Firm Fails To Renew . . .

If your firm fails to pay the full amount due on the initial invoice by **December 11, 1998**, the agent registrations will terminate at midnight on December 31, 1998. NASD Regulation will return any late payments to your firm unless you specify on the check that the payment is for **NASD fees only**. The firm will have to contact each jurisdiction in which it was registered to request agent and firm re-registration instructions. Please be advised that many states levy fines for failure to renew properly.

In January you will receive a final adjusted invoice for NASD fees only, a list of branch offices, and a list of agents registered with the NASD. If the firm pays the Final Adjusted Invoice in full, the NASD registration **ONLY** can be renewed for 1999.

Questions?

For questions concerning the 1999 Renewals Program, please contact the CRD/PD Gateway Call Center at 301.869.6699.



Key Renewal Process Addresses

Send **renewal refund requests** to:

NASD Regulation, Inc.
CRD Accounting
1390 Piccard Drive
Rockville, MD 20850
301.869.6699

Send **renewal roster discrepancies** to:

NASD Regulation, Inc.
CRD/PD Research
1390 Piccard Drive
Rockville, MD 20850
301.869.6699

Send **requests for magnetic tape renewal rosters** to:

NASD Regulation, Inc.
CRD/Public Disclosure
Attn: Joan C. Searcy
1390 Piccard Drive
Rockville, MD 20850
Fax: 301.212.8137

Submission of ALL Renewal Payments:

NASD Regulation, Inc.
Finance Department - Renewals
15201 Diamondback Drive
Rockville, MD 20850

For questions concerning submission of form filings, requests for duplicate invoices, or questions about the renewal process, contact the CRD/PD Gateway Call Center at 301.869.6699.

The CRD/Public Disclosure Department is physically located at 1390 Piccard Drive, Second Floor, Rockville, MD 20850. Please use this address when sending express mail packages to this Department.

Key Renewal Dates

November 2, 1998

Start processing post-dated (up to 12/31/98) Forms U-5, BDW, and Schedule E.

November 9, 1998

Initial invoices mailed to firms.

December 11, 1998

Deadline for receipt of payments, Forms U-5, BDW, and Schedule E.

December 23, 1998

8:00 p.m. (ET) Deadline for EFT and Electronic Form Filings through FAQs.

December 24-31, 1998

CRD Shutdown. No agents or BDs approved or terminated.

January 18-22, 1999

Final adjusted invoices mailed to firms.

March 5, 1999

Deadline for payment of final adjusted invoices and refund requests. After March 5th, credits will begin to be transferred to the firm's CRD account.

March 12, 1999

Deadline for reporting renewal discrepancies.

***For general questions, call the
CRD/PD Gateway Call Center
at 301.869.6699.***



Renewals Process Terminology

Note: The following explanation of terms is intended to help firms complete the renewals process and should be relied upon only in this context.

Active—The status of a registration that is either approved or in the process of becoming approved.

Applicant—One who submits a request for registration to a regulator or jurisdiction for consideration.

Approved—A status given to a request for registration in a jurisdiction where an application has been submitted, prerequisites have been met, and authorization to conduct business has been granted.

Form BD—The application used by an entity seeking registration as a broker/dealer and also the form used to notify of address changes, among other things.

Form BDW—The form used to withdraw the broker/dealer from registration in a jurisdiction. Full withdrawal means from the NASD, as well as other jurisdictions. Partial withdrawal means other jurisdictions only, not the NASD.

FTR (Fail to Renew)—A firm that failed to pay its renewal fees and is now subject to the reinstatement or re-registration procedures of each jurisdiction.

Inactive—A registration that has not been approved, denied, or withdrawn.

Jurisdiction—A regulator or a region (usually a state, territory, or province) in which one wishes to conduct business.

No Status—A type of broker/dealer status

given to registration requests when the BD application has been processed, but no action has been taken on CRD by the jurisdictions.

Non-NASD Active—A condition occurring when an agent has registration approvals in jurisdictions but no status with the NASD. This is a discrepancy.

Pending—A request for registration in a jurisdiction that has been applied for but has not yet met all prerequisites for approval to conduct business.

Renewed—A registration when proper fees have been paid and other procedures completed.

Register—The application process. Applying to a jurisdiction for approval to conduct business within that jurisdiction. The jurisdiction reviews the application and either approves or denies the application. Upon approval, the applicant is registered in that jurisdiction.

Schedule E—One of the schedules attached to the Form BD. The Schedule E is used to register and close a branch office, as well as to update branch office information.

SRO—Self-regulatory organization such as NASD Regulation and exchanges.

Terminated—A status reflecting the disapproval of a registration that was previously approved. The status is given to both agent and firm registrations when a termination form is filed and made effective or a firm fails to renew properly.

SRO/STATE FEE SCHEDULE *As Of July 1, 1998*

STATE	ENT CRD	REG FEE	RE-REG FEE	PHASE II	CRD FEE	BD REG	AG R/N	BD R/N	AUTO	S63	TAT	DUAL
AK	10/84	\$75	\$75	Y	N	—	\$75	\$200	Y	Y	Y	N
AL	6/81	50	50	Y	Y	200	50	200	Y	Y	Y	N
AR	5/83	75	75	Y	N	—	75	300	N	Y	Y	Y
AZ	5/84	40	40	Y	N	—	40	300	N	Y	Y	N
CA	3/84	25	25	Y	N	—	NONE	NONE	Y	Y	N	Y
CO	3/83	10^	10^	Y	Y	87^	10^	87^	Y	N	Y	Y
CT	6/81	50	50	Y	Y	250	50	150	Y	Y	Y	Y
DC	5/83	25	25	Y	Y	250	25	250	N	N	Y	Y
DE	6/81	50	50	Y	Y	250	50	250	Y	Y	Y	Y
FL	5/83	40	40	Y	N	—	40	200	N	N	Y	Y
GA	6/81	50	50	Y	Y	250	40	100	Y	Y	Y	Y
HI	2/88	70	50	Y	Y	200	70	220	N	Y	Y	N
IA	6/81	30	30	Y	Y	200	30	200	N	Y	Y	N
ID	11/81	20	20	Y	Y	100	20	100	Y	Y	Y	Y
IL	6/81	75	75	Y	Y	300	75	300	Y	Y	Y	Y
IN	6/81	25	25	Y	Y	250	25	125	Y	Y	Y	Y
KS	6/81	50	50	Y	Y	200	50	200	Y	Y	Y	N
KY	6/81	50	50	Y	N	—	50	120	N	Y	Y	N
LA	5/83	60	60	Y	Y	250	60	250	N	N	Y	N
MA	4/81	50	50	Y	Y	300	50	300	Y	Y	Y	N
MD	6/81	35	35	Y	Y	250	35	250	Y	N	Y	Y
ME	6/81	40	40	Y	Y	200	40	200	N	N	Y	N
MI	3/83	30	10	N	N	—	30	250	N	Y	Y	N
MN	6/81	50	25	Y	Y	200	50	200	N	Y	Y	N
MO	6/81	50	50	Y	Y	200	50	100	N	Y	Y	N
MS	6/81	50	50	Y	Y	200	50	200	N	Y	Y	Y
MT	5/83	50	50	Y	Y	200	50	200	N	Y	Y	Y
NC	6/81	55	55	Y	Y	200	55	200	N	Y	Y	N
ND	6/81	50	50	Y	Y	200	50	200	N	Y	Y	Y
NE	6/81	40	40	Y	N	—	40	250	Y	Y	Y	N
NH	3/83	130	130	Y	N	—	100	200	Y	Y	Y	Y
NJ	6/81	30	30	Y	Y	250	30	250	N	N	Y	Y
NM	10/81	35	35	Y	Y	300	35	300	N	Y	Y	N
NV	6/81	55	55	Y	Y	150	55	150	Y	Y	Y	N
NY	6/81	45	40	Y	N	—	25	200	Y	Y	Y	Y
OH	6/81	50	50	Y	Y	150	50	N/P	N	N	Y	N
OK	6/81	50	50	Y	Y	300	50	300	N	Y	Y	Y
OR	6/81	15	15	Y	Y	100	15	50	Y	Y	Y	N

STATE	ENT CRD	REG FEE	RE-REG FEE	PHASE II	CRD FEE	BD REG	AG R/N	BD R/N	AUTO	S63	TAT	DUAL
PA	6/81	80^	80^	Y	Y	250	65^	250	Y	Y	Y	N
PR	10/84	150	150	N	N	—	150	N/P	Y	N	Y	Y
RI	3/83	50	50	Y	Y	250	50	250	N	Y	Y	N
SC	6/81	100	100	Y	Y	300	100	300	N	Y	Y	N
SD	6/81	125	125	Y	Y	150	125	150	N	Y	Y	Y
TN	4/81	50	50	Y	Y	200	50	200	N	Y	Y	Y
TX	6/81	235	235	Y	Y	275	220	240	N	Y	Y	Y
UT	5/83	30	30	Y	Y	75	30	75	Y	Y	Y	Y
VA	6/81	30	30	Y	N	—	30	200	N	Y	Y	N
VT	6/81	45	45	Y	Y	250	45	250	N	N	Y	N
WA	5/83	40	25	Y	Y	150	20	75	Y	Y	Y	Y
WI	6/81	30	30	Y	Y	400	30	200	N	Y	Y	N
WV	6/81	80	80	Y	Y	250	65	250	N	Y	Y	N
WY	6/81	35	35	Y	Y	200	35	200	N	Y	Y	N
AMEX	4/88	55	55	N	N	—	30*	N/P	Y	N	Y	Y
MSE	4/81	50	50	N	N	—	NONE	N/P	Y	N	Y	Y
NYSE	5/85	65	43**	N	N	—	52*	N/P	Y	N	Y	Y
NASD	1/39	85	85	Y	Y	—	10	—	Y	N	Y	Y
CBOE	4/81	25	20*	Y	Y	100	20	N/P	Y	N	Y	Y
PSE	4/81	8	8	N	N	—	8	N/P	Y	N	Y	Y
PHLX	10/93	12	12	N	N	—	12*	N/P	Y	N	Y	Y

* Maintenance Fee

^ Denotes current changes

** Transfers within 30 days. If more, will be considered as initial.

STATE = AFFILIATION/JURISDICTION

AUTO = ALLOWS AUTOMATIC AGENT APPROVAL

ENT CRD = JOINED CRD

S63 = EXAM REQUIRED FOR STATE REGISTRATION

REG FEE = AGENT REGISTRATION FEE

TAT = PARTICIPATES IN TEMPORARY AGENT TRANSFER

RE-REG FEE = AGENT REREGISTRATION FEE

DUAL = ALLOWS DUAL AGENT REGISTRATION

PHASE II = ACCEPTS BD AMENDMENT FILINGS VIA CRD

PLEASE NOTE THAT PHASE II APPLIES ONLY TO BD AMENDMENTS.

INITIAL REG. REQUESTS SHOULD BE DIRECTED TO THE STATE.

CRD FEE = BD STATE FEE COLLECTED BY CRD

BD REG = BD STATE FEE

AG R/N = AGENT RENEWAL FEE

BD R/N = BD RENEWAL FEE

N or N/P = NON-PARTICIPANT OF PROGRAM



State Securities Offices *As Of August 20, 1998*

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Alabama Securities Commission
RSA Plaza
770 Washington Avenue, Suite 570
Montgomery, AL 36130-4700
(334) 242-2984

ALASKA

Division of Banking and Securities
333 Willoughby
State Office Building, 9th Floor
Juneau, AK 99801
Mailing address:
P. O. Box 110807
Juneau, AK 99811-0807
(907) 465-2521

ARIZONA

Arizona Corporation Commission
Securities Division
1300 West Washington St., 3rd Floor
Phoenix, AZ 85007
(602) 542-4242

ARKANSAS

Securities Department
Heritage West Building
201 East Markham, 3rd Floor
Little Rock, AR 72201
(501) 324-9260

CALIFORNIA

Department of Corporation
980 Ninth Street, Suite 500
Sacramento, CA 95814
(916) 445-3062

COLORADO

Division of Securities
1580 Lincoln Street., Suite 420
Denver, CO 80203-1506
(303) 894-2320

CONNECTICUT

Department of Banking
260 Constitution Plaza
Hartford, CT 06103
(860) 240-8299

DELAWARE

Delaware Securities Division
State Office Building
820 North French Street, 8th Floor
Wilmington, DE 19801
(302) 577-8424

DISTRICT OF COLUMBIA

Department of Insurance &
Securities Regulation
Securities Bureau of the
District of Columbia
441 - 4th Street, Suite 870 North
Washington, DC 20001
Mailing address:
P. O. Box 37378
Washington, DC 20001
(202) 727-8000

FLORIDA

Department of Banking & Finance
Division of Securities
101 East Gaines Street
Tallahassee, FL 32399-0350
(850) 488-9530

GEORGIA

Securities Division
West Tower, Suite 802
2 Martin Luther King Jr. Dr. SE
Atlanta, GA 30334
(404) 656-3920

HAWAII

Corporate & Securities Commission
1010 Richards Street, 2nd Floor
Honolulu, HI 96813
(808) 586-2730

IDAHO

Idaho Securities Bureau
Department of Finance
Statehouse; 700 West State St.
Boise, ID 83720
Mailing address:
P.O. Box 83720
Boise, ID 83720-0031
(208) 332-8004

ILLINOIS

Illinois Securities Department
Lincoln Tower
520 South Second St., Suite 200
Springfield, IL 62701
(217) 782-2256

INDIANA

Securities Division
302 West Washington St.
Room E-111
Indianapolis, IN 46204
(317) 232-6688

IOWA

Securities Division
340 East Maple Street
Des Moines, IA 50319
(515) 281-4441

KANSAS

Kansas Securities Commission
618 S. Kansas Ave., 2nd Floor
Topeka, KS 66603
(785) 296-3307

KENTUCKY

Kentucky Securities Commission
477 Versailles Rd.
Frankfort, KY 40601
(502) 573-3390

LOUISIANA

Louisiana Commission of
Securities
3445 N. Causeway, Suite 509
Metairie, LA 70002
(504) 846-6970

MAINE

State of Maine Securities Division
121 State House Station
Augusta, ME 04333-0121
(207) 624-8551

MARYLAND

Maryland Division of Securities
Office of the Attorney General
200 St. Paul Place, 20th Floor
Baltimore, MD 21202-2020
(410) 576-6360

MASSACHUSETTS

Massachusetts Securities Division
John W. McCormack Building
One Ashburton Place, Room 1719
Boston, MA 02108
(617) 727-3548

MICHIGAN

Corporation and Securities Bureau
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P.O. Box 30222
Lansing, MI 48909
(517) 334-6215

MINNESOTA

Department of Commerce
133 East Seventh St., 2nd Floor
St. Paul, MN 55101
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MISSISSIPPI

Securities Division
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Jackson, MS 39205
(601) 359-1350

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Securities Division
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Jefferson City, MO 65101
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MONTANA

Montana Securities Department
Helena, MT 59604
Mailing address:
P. O. Box 4009
Helena, MT 59604-4009
(406) 444-2040

NEBRASKA

Nebraska Securities Bureau
Department of Banking & Finance
1200 N St., Suite 311
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Lincoln, NE 68509-5006
(402) 471-3445

NEVADA

Nevada Securities Division
555 E. Washington Ave.
Suite 5200
Las Vegas, NV 89101
(702) 486-2440

NEW HAMPSHIRE

Bureau of Securities Regulation
State House
107 North Main St., Room 204
Concord, NH 03301-4989
(603) 271-1463

NEW JERSEY

Bureau of Securities
Gibraltar Building
153 Halsey St., 6th Floor
Newark, NJ 07102
(973) 504-3600

NEW MEXICO

New Mexico Securities Division
725 St. Michael's Dr.
Santa Fe, NM 87501
Mailing address:
P. O. Box 25101
Santa Fe, NM 87504
(505) 827-7140

NEW YORK

New York Bureau of Investment
Protection and Securities
120 Broadway
New York, NY 10271
(212) 656-3000

NORTH CAROLINA

North Carolina Securities Division
Office of the Secretary of State
300 North Salisbury St., Rm. 302
Raleigh, NC 27603
(919) 733-3924

NORTH DAKOTA

North Dakota Securities Commission
State Capitol Building
600 East Boulevard Ave., 5th Floor
Bismarck, ND 58505
(701) 328-2910

OHIO

Commissioner of Securities
Ohio Division of Securities
77 South High St., 22nd Floor
Columbus, OH 43215
(614) 644-7465

OKLAHOMA

Oklahoma Department of Securities
First National Center
120 North Robinson, Suite 860
Oklahoma City, OK 73102
(405) 280-7700

OREGON

Oregon Securities Commission
Department of Insurance & Finance
21 Labor & Industries Building
Salem, OR 97310
(503) 378-4387

PENNSYLVANIA

Pennsylvania Securities Commission
1010 N. 7th St.
Eastgate Office Building, 2nd Floor
Harrisburg, PA 17102
(717) 787-5675

PUERTO RICO

Commonwealth of Puerto Rico
Office of the Commissioner of
Financial Institutions
Centro Europa Building
1492 Ponce de Leon Ave., Suite 600
San Juan, PR 00907-4127
(787) 723-3131

RHODE ISLAND

Department of Business Regulation
233 Richmond St., Suite 232
Providence, RI 02903-4232
(401) 222-3048

SOUTH CAROLINA

Office of the Attorney General
Securities Section
Rembert C. Dennis Office Building
1000 Assembly St.
Columbia, SC 29202
Mailing address:
P. O. Box 11549
Columbia, SC 29211-1549
(803) 734-9916

SOUTH DAKOTA

South Dakota Securities
Commission
Division of Securities
Capitol Building
118 W. Capitol Ave.
Pierre, SD 57501
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Tennessee Securities Division
Volunteer Plaza, Suite 680
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Securities Division
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Department of Banking,
Insurance & Securities
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VIRGINIA

Virginia Division of Securities
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Department of Financial Institutions
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WEST VIRGINIA

West Virginia Securities Commission
Securities Division
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WISCONSIN

Office of the Commissioner
of Securities
101 E. Wilson St., 4th Floor
Madison, WI 53702
Mailing address:
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Madison, WI 53701
(608) 266-3431

WYOMING

Securities Division
Secretary of State
24th & State Capitol Ave.
Cheyenne, WY 82002-0020
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SEC

Securities and Exchange Commission

450 5th Street, NW
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EXCHANGES

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86 Trinity Place, 7th Floor
New York, NY 10006
(212) 306-1442

Boston Stock Exchange

One Boston Place, 38th Floor
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Chicago Board Options Exchange

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Chicago Stock Exchange

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Pacific Exchange, Inc.

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Philadelphia Stock Exchange, Inc.

Philadelphia Stock Exchange Bldg.
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Securities and Futures Authority

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NASD Board Approves CRD Fee Changes

The NASD Board of Governors, at its October 8, 1998 meeting, approved changes to the NASD's registration fee structure.

These changes set registration fees at a level that will recover the costs of NASD Regulation's CRD and Public Disclosure Programs and more closely align the fees charged for specific transactions to the costs of the activities related to processing those transactions.

Most member firms will pay more for registration and other filing activity under the new fee structure. The benefits to the industry (as outlined below) of the modernized CRD system, scheduled for deployment in the third quarter of 1999, will outweigh these additional costs. The modernized CRD system will significantly streamline the "one-stop" filing system for broker/dealers and their associated persons and will deliver the following financial, operational, and technological benefits to

member firms: expedited processing of initial registrations and transfers, which will reduce the number of days brokers are restricted from conducting business (e.g., registration filings that have no new disclosure will be processed by the NASD in 24 hours or less); reduced registration processing costs by replacing paper filing with electronic form filing through the Web; and improved member firm access to registration information by providing each member firm with a comprehensive, on-line registration processing and information system available directly through the Web.

The following table sets forth the fee changes and their respective effective dates. Additional information on the fee changes, including a letter from Mary L. Schapiro, President of NASD Regulation, may be found on NASD Regulation's Web Site, www.nasdr.com.

Changes To NASD Registration Fee Structure

Changes for 1998

New Fee	Current Fee	Explanation
Renewal Processing Fee - \$15 per year per registered representative or principal	None	❖ The renewal processing fee for 1999 will be collected as part of the overall registration renewal process in the fourth quarter of 1998.

Changes in 1999

New Fee	Current Fee	Explanation
None	<p>FAQS Fees - \$70 monthly access fee; \$70/hour usage fee; \$.70/kilocharacter transmission fee</p> <p>CRD License and Maintenance Fees - \$300 per full license; \$100 per branch license; \$300 annual maintenance fee</p>	<p>❖ FAQS fees will be assessed until deployment of the modernized CRD system, scheduled for the third quarter of 1999.</p> <p>❖ Upon deployment of the modernized CRD system, information and processing provided today via FAQS will be available through the Internet without a usage fee.</p> <p>❖ Approved, but not implemented, CRD license and maintenance fees are being eliminated with the move to the Internet-based modernized CRD system.</p>

Changes in 1999 (continued)

New Fee	Current Fee	Explanation
Initial Registration, Reregistration or Transfer Fee - \$85	Initial Registration, Reregistration or Transfer Fee - \$85	<ul style="list-style-type: none"> ❖ No change in amount, however, the existing reduced fee for registrations with more than one member firm under common control that are <i>not</i> filed simultaneously is eliminated.
Amendment - \$20	None	<ul style="list-style-type: none"> ❖ Amendment Fee will apply to all registration, transfer, or termination amendments. ❖ Effective January 1, 1999.
Disclosure Processing Fee - \$95	SRR Processing Fee - \$95	<ul style="list-style-type: none"> ❖ Disclosure Processing Fee will apply to all registration, transfer, or termination filings with new or amended disclosure information or that require certification, as well as any amendment to disclosure information. ❖ Current SRR Processing Fee applies only to disclosure information reported on a Form U-4 initial registration or transfer. ❖ Effective January 1, 1999.
Terminations - \$40	Terminations - \$40	<ul style="list-style-type: none"> ❖ No change.
Late Terminations - \$80	Late Terminations - \$65	<ul style="list-style-type: none"> ❖ Increase in the fee for filings not made within 30 days of termination. ❖ Effective January 1, 1999.
Fingerprint Card - Member Firms - \$10 plus FBI fee	Fingerprint Card - Member Firms - \$2.50 plus FBI fee	<ul style="list-style-type: none"> ❖ Increase in fee assessed by NASD for processing fingerprint cards. ❖ The current Department of Justice (DOJ) fee is \$22.00 per fingerprint card submission. The combined charge will generally be \$32.00. Please note that the DOJ does not assess its \$22.00 fee for the second submission of a fingerprint card if the first fingerprint card was found to be illegible, provided that the first, illegible fingerprint card is attached to the second submission. ❖ Effective January 1, 1999.

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