

Notice To Members

National Association of Securities Dealers, Inc.

January 1989

Number 89-6

Suggested Routing:*

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

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

Subject: State Participation in CRD Form BD and BDW Processing

EXECUTIVE SUMMARY

State participation in CRD Phase II, the Form BD (Uniform Application for Broker-Dealer Registration) and Form BDW (Uniform Request for Broker-Dealer Withdrawal) processing phase of the CRD system will begin February 1, 1989. Effective that date, members will be able to report Form BD changes to the NASD and participating states by submitting only one Form BD amendment to the CRD, instead of submitting a Form BD amendment to each state jurisdiction. A single Form BDW also may be filed with the CRD to initiate a request for full broker-dealer termination with all participating states or partial termination in only selected participating state(s). Certain states also will permit application for initial broker-dealer registration to be started via CRD.

BACKGROUND

Form BD is the primary broker-dealer application used by the NASD and the states. Once registered, firms are under a continuing obligation to keep current the information reported on Form BD. Traditionally, this has required that firms file

Form BD amendments directly with each state. The February 1 expansion of CRD Phase II marks the beginning of the centralized processing of Forms BD and BDW. In a manner similar to the processing of Forms U-4 and U-5, the CRD will process Form BD amendments and Forms BDW and disseminate the information disclosed on the filing to participating state jurisdictions.

FILING REQUIREMENTS

This notice includes a chart indicating the states that will begin participation in Phase II on February 1, 1989. All states listed as participants will accept the Form BD amendments and Forms BDW filed with CRD in place of an original filing made directly with their offices. The chart also reflects current state broker-dealer initial registration filing fees and indicates whether the state will collect these fees through CRD.

■ **Form BD Amendments** — Members may submit a single Form BD amendment to the CRD to report all Form BD updates to the NASD and the participating states in which they are registered.

■ **Form BDW** — A single Form BDW may be submitted to the CRD to request full termination of registration with the NASD and all participating states. Members seeking to effect only a partial termination of registration in one or more participating states also may file an appropriately

completed Form BDW with the CRD to initiate a request for state-only termination.

■ **Initial State Broker-Dealer Registration** —

States generally will require that information be filed directly with them to effect initial registration. However, many states have designated the CRD for the collection of initial broker-dealer registration fees. Each participating state will be distributing a notice detailing the nature of its participation in Phase II of the CRD system. Since these notices will be directed only to current registrants, members interested in expanding registration into additional jurisdictions should contact the appropriate states to ascertain their requirements and their use of CRD as part of the application process.

Questions regarding this notice should be directed to NASD Information Services at (301) 590-6500.

**CRD PHASE II PARTICIPANTS
AS OF DECEMBER 15, 1988**

Note: CRD collection of state initial registration fees will be accomplished by submission of Pages 1 and 2 of Form BD along with the designated fees. Please contact the appropriate state(s) to determine any additional filing requirements. (Y= yes; N= no).

| State | Participating: Form BD Amendments Form BDW | CRD Collection of Initial Reg. Fee | Initial B/D Reg. Fees |
|-------|--|--|--------------------------|
| ID | Y | Y | 75 |
| IL | Y | Y | 200 |
| IN | Y | Y | 250 |
| IA | Y | Y | 200 |
| KS | Y | Y | 100 |
| KY | Y | Y | 120 |
| LA | Y | Y | 250 |
| ME | Y | Y | 100 |
| MD | Y | Y | 125 |
| MA | Y | Y | 300 |
| MI | N | N | — |
| MN | Y | Y | 200 |
| MS | Y | Y | 125 |
| MO | Y | Y | 200 |
| MT | Y | Y | 200 |
| NE | N | N | — |
| NV | Y | N | — |
| NH | N | N | — |
| NJ | N | N | — |
| NM | Y | Y | 300 |
| NY | Y | N | — |
| NC | Y | Y | 200 |
| ND | Y | Y | 100 |
| OH | Y | Y | 150 |
| OK | Y | Y | 300 |
| OR | Y | Y | 100 |
| PA | Y | Y | 125 |
| PR | N | N | — |
| RI | Y | Y | 200 |
| SC | Y | Y | 100 |
| SD | Y | Y | 150 |
| TN | Y | Y | 200 |
| TX | Y | N | — |
| UT | Y | Y | 75 |
| VT | Y | Y | 200 |
| VA | Y | N | — |
| WA | Y | Y | 150 |
| WV | Y | Y | 150 |
| WI | Y | Y | 300 |
| WY | Y | Y | 100 |

| State | Participating: Form BD Amendments Form BDW | CRD Collection of Initial Reg. Fee | Initial B/D Reg. Fees |
|-------|--|--|--------------------------|
| AL | Y | Y | 200 |
| AK | Y | N | — |
| AZ | N | N | — |
| AR | Y | Y | 300 |
| CA | Y | N | — |
| CO | Y | Y | 75 |
| CT | Y | Y | 250 |
| DE | Y | Y | 150 |
| DC | Y | Y | 250 |
| FL | N | N | — |
| GA | Y | Y | 250 |
| HI | Y | Y | 100 |

Notice To Members

National Association of Securities Dealers, Inc.

January 1989

Number 89-7

Suggested Routing:*

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

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

Subject: 1989 Renewal Rosters and Final Adjusted Invoices

EXECUTIVE SUMMARY

The 1988-89 NASD broker-dealer and agent registration renewal cycle begins its second phase this month. Information in this notice is published to assist members in reviewing, reconciling, and responding to the final adjusted invoice packages that will be mailed to all firms in mid-January.

FINAL ADJUSTED INVOICE PACKAGES

On or about January 13, 1989, the NASD will mail final adjusted invoices and renewal rosters to all NASD member firms. The invoice will reflect the year-end 1988 total of fees for NASD personnel assessments, NASD branch office fees, New York Stock Exchange (NYSE) and American Stock Exchange (Amex) maintenance fees, state agent renewal fees, and state broker-dealer renewal fees. It also will reflect payment submitted by an NASD member in response to the initial renewal invoice mailed in November 1988.

The final invoice will include a renewal roster that lists each firm's NASD and, if applicable, NYSE- and Amex-registered personnel as of year-end 1988. The roster also will list alphabetically all firm agents whose registrations were renewed in states. Firms with active NASD

branch offices as of October 1, 1988, will receive a branch office roster in addition to the agent roster.

A member's final invoice will show an "amount due," a "credit due," or a "zero balance due." If a firm's year-end 1988 total of NASD, NYSE, Amex, and state renewal fees exceeded the firm's payment submitted in response to the initial renewal invoice, the NASD paid the additional renewal fees due at the year's end and will mail an "amount due" invoice to collect that amount. If your firm's invoice shows an amount due, please submit a check along with the top portion of the invoice and mail it in the return envelope provided. Payments should be received by the NASD **no later than February 24, 1989.**

If a firm's payment submitted in response to the initial renewal invoice exceeded its year-end 1988 total of NASD, NYSE, Amex, and state renewal fees, the NASD will issue a "credit due" invoice. If your firm's invoice shows a credit due and you wish it paid to your firm, please detach and sign the top portion of the invoice and send it to: Kelly O. Palmer, Special Registration Review, NASD, Inc., 9513 Key West Avenue, Rockville, Maryland, 20850. If the NASD doesn't receive a request for a refund check by February 24, 1989, it will apply the credit amount to your firm's CRD account.

Final invoices showing a zero balance due require no further action on the part of the member.

REVIEWING THE RENEWAL ROSTER

Member renewal rosters include all agent registrations renewed for 1989. Since registrations that were pending approval or were deficient at year-end 1988 were not assessed renewal fees, those registrations will not be reported on the renewal roster. Members should carefully examine their rosters to ensure that all registration approvals and terminations are reflected properly.

If discrepancies exist, they should be reported

in writing along with supporting documentation, such as Notices of Approval/Termination, Forms U-4 or U-5, or Schedule E amendments. The discrepancy should be reported directly to the NASD, NYSE, Amex, or the applicable state. All renewal roster discrepancies should be reported **by March 24, 1989.**

The inside cover of the renewal roster contains detailed instructions to assist members in completing the renewal process.

Questions regarding this notice may be directed to NASD Information Services at (301)590-6500.

Notice To Members

National Association of Securities Dealers, Inc.

January 1989

Number 89-8

Suggested Routing:*

- Senior Management
- Corporate Finance
- Government Securities
- Institutional

- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund

- Operations
- Options
- Registration
- Research

- Syndicate
- Systems
- Trading
- Training

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

Subject: NASD 1989 Holiday Schedule

The NASD will observe the following holiday schedule in 1989:

| | | | |
|-------------|---------------------------|-------------|------------------|
| January 2 | New Year's Day (Observed) | July 4 | Independence Day |
| February 20 | Presidents' Day | September 4 | Labor Day |
| March 24 | Good Friday | November 23 | Thanksgiving Day |
| May 29 | Memorial Day (Observed) | December 25 | Christmas Day |

Notice To Members

National Association of Securities Dealers, Inc.

January 1989

Number 89-9

Suggested Routing:*

- Senior Management
- Corporate Finance
- Government Securities
- Institutional

- Internal Audit
- Legal & Compliance
- Municipal
- Mutual Fund

- Operations
- Options
- Registration
- Research

- Syndicate
- Systems
- Trading
- Training

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Subject: Trade Date-Settlement Date Schedule for 1989

Martin Luther King, Jr., Day: Trade Date-Settlement Date Schedule

The schedule of trade dates-settlement dates below reflects the observance by the financial community of Martin Luther King, Jr., Day, Monday, January 16, 1989. On January 16, the NASDAQ System and the exchange markets will be open for trading. However, it will not be a settlement date because many of the nation's banking institutions will be closed.

| Trade Date | Settlement Date | Reg. T Date* |
|------------|-----------------|--------------|
| January 5 | 12 | 16 |
| 6 | 13 | 17 |
| 9 | 17 | 18 |
| 10 | 18 | 19 |
| 11 | 19 | 20 |
| 12 | 20 | 23 |
| 13 | 23 | 24 |
| 16 | 23 | 25 |
| 17 | 24 | 26 |

Note: January 16, 1989, is considered a business day for receiving customers' payments under Regulation T of the Federal Reserve Board.

Securities will not be quoted ex-dividend, and settlements, marks to the market, reclamations, and buy-ins and sell-outs, as provided in the Uniform Practice Code, will not be made and/or

exercised on January 16.

Editors' Note: The Reg. T date for January 12 trades erroneously was reported to be January 24, 1989, in the December issue of *Notices to Members*. The correct Reg. T date for January 12 trades is, as listed, January 23, 1989.

Presidents' Day: Trade Date-Settlement Date Schedule

Securities markets and the NASDAQ System will be closed on Monday, February 20, 1989, in observance of Presidents' Day. "Regular way" transactions made on the preceding business days will be subject to the settlement date schedule listed below.

| Trade Date | Settlement Date | Reg. T Date* |
|-------------|-----------------|--------------|
| February 10 | 17 | 22 |
| 13 | 21 | 23 |
| 14 | 22 | 24 |
| 15 | 23 | 27 |
| 16 | 24 | 28 |
| 17 | 27 | March 1 |
| 20 | Markets Closed | — |
| 21 | 28 | 2 |

**Good Friday: Trade Date-
Settlement Date Schedule**

Securities markets and the NASDAQ System will be closed on Good Friday, March 24, 1989. "Regular way" transactions made on the business days immediately preceding that day will be subject to the following schedule:

| Trade Date | Settlement Date | Reg. T Date* |
|------------|-----------------|--------------|
| March 16 | 23 | 28 |
| 17 | 27 | 29 |
| 20 | 28 | 30 |
| 21 | 29 | 31 |
| 22 | 30 | April 3 |
| 23 | 31 | 4 |
| 24 | Markets Closed | — |
| 27 | April 3 | 5 |

**Memorial Day: Trade Date-
Settlement Date Schedule**

Securities markets and the NASDAQ System will be closed on Monday, May 29, 1989, in observance of Memorial Day. "Regular way" transactions made on the business days noted below will be subject to the following schedule:

| Trade Date | Settlement Date | Reg. T Date* |
|------------|-----------------|--------------|
| May 19 | 26 | 31 |
| 22 | 30 | June 1 |
| 23 | 31 | 2 |
| 24 | June 1 | 5 |
| 25 | 2 | 6 |
| 26 | 5 | 7 |
| 29 | Markets Closed | — |
| 30 | 6 | 8 |

**Independence Day: Trade Date-
Settlement Date Schedule**

Securities markets and the NASDAQ System will be closed on Tuesday, July 4, 1989, in observance of Independence Day. "Regular way" transactions made on the business days noted below will be subject to the following schedule:

| Trade Date | Settlement Date | Reg. T Date* |
|------------|-----------------|--------------|
| June 26 | July 3 | July 6 |
| 27 | 5 | 7 |
| 28 | 6 | 10 |

| Trade Date | Settlement Date | Reg. T Date* |
|------------|-----------------|--------------|
| 29 | 7 | 11 |
| 30 | 10 | 12 |
| July 3 | 11 | 13 |
| 4 | Markets Closed | — |
| 5 | 12 | 14 |

**Labor Day: Trade Date-
Settlement Date Schedule**

Securities markets and the NASDAQ System will be closed on Monday, September 4, 1989, in observance of Labor Day. "Regular way" transactions made on the business days noted below will be subject to the following schedule:

| Trade Date | Settlement Date | Reg. T Date* |
|-------------|-----------------|--------------|
| August 25 | September 1 | September 6 |
| 28 | 5 | 7 |
| 29 | 6 | 8 |
| 30 | 7 | 11 |
| 31 | 8 | 12 |
| September 1 | 11 | 13 |
| 4 | Markets Closed | — |
| 5 | 12 | 14 |

**Columbus Day: Trade Date-
Settlement Date Schedule**

The schedule of trade dates-settlement dates below reflects the observance by the financial community of Columbus Day, Monday, October 9, 1989. On this day, the NASDAQ System and the exchange markets will be open for trading. However, it will not be a settlement date since many of the nation's banking institutions will be closed in observance of Columbus Day.

| Trade Date | Settlement Date | Reg. T Date* |
|--------------|-----------------|--------------|
| September 28 | October 5 | October 9 |
| 29 | 6 | 10 |
| October 2 | 10 | 11 |
| 3 | 11 | 12 |
| 4 | 12 | 13 |
| 5 | 13 | 16 |
| 6 | 16 | 17 |
| 9 | 16 | 18 |
| 10 | 17 | 19 |

Note: October 9, 1989, is considered a business day for receiving customers' payments under Regulation T of the Federal Reserve Board.

Transactions made on Monday, October 9, will be combined with transactions made on the previous business day, October 6, for settlement on October 16. Securities will not be quoted ex-dividend, and settlements, marks to the market, reclamations, and buy-ins and sell-outs, as provided in the Uniform Practice Code, will not be made and/or exercised on October 9.

**Veteran's Day and Thanksgiving Day:
Trade Date-Settlement Date Schedules**

The schedule of trade dates-settlement dates below reflects the observance by the financial community of Veteran's Day, Friday, November 10, 1989, and Thanksgiving Day, Thursday, November 23, 1989. On Friday, November 10, the NASDAQ System and the exchange markets will be open for trading. However, it will not be a settlement date since many of the nation's banking institutions will be closed in observance of Veteran's Day. All securities markets will be closed on Thursday, November 23, in observance of Thanksgiving Day.

| Trade Date | Settlement Date | Reg. T Date* |
|------------|-----------------|--------------|
| November 2 | 9 | 13 |
| 3 | 13 | 14 |
| 6 | 14 | 15 |
| 7 | 15 | 16 |
| 8 | 16 | 17 |
| 9 | 17 | 20 |
| 10 | 17 | 21 |
| 13 | 20 | 22 |
| 14 | 21 | 24 |
| 15 | 22 | 27 |
| 16 | 24 | 28 |
| 17 | 27 | 29 |
| 20 | 28 | 30 |
| 21 | 29 | December 1 |
| 22 | 30 | 4 |
| 23 | Markets Closed | — |
| 24 | December 1 | 5 |

Note: November 10 is considered a business day for receiving customers' payments under Regulation T of the Federal Reserve Board.

Transactions made on November 10 will be combined with transactions made on the previous day, November 9, for settlement on November 17.

Securities will not be quoted ex-dividend, and settlements, marks to the market, reclamations, buy-ins, and sell-outs, as provided in the Uniform Practice Code, will not be made and/or exercised on November 10.

**Christmas Day and New Year's Day:
Trade Date-Settlement Date Schedule**

Securities markets and the NASDAQ System will be closed on Monday, December 25, 1989, Christmas Day, and Monday, January 1, 1990, New Year's Day. "Regular way" transactions made on the preceding business days will be subject to the settlement date schedule listed below.

| Trade Date | Settlement Date | Reg. T Date* |
|---------------------|-----------------|-------------------|
| December 15 1989 | 22 | 27 |
| 18 | 26 | 28 |
| 19 | 27 | 29 |
| 20 | 28 | January 2 1990 |
| 21 | 29 | 3 |
| 22 | January 2, 1990 | 4 |
| 25 | Markets Closed | — |
| 26 | 3 | 5 |
| 27 | 4 | 8 |
| 28 | 5 | 9 |
| 29 | 8 | 10 |
| January 1 1990 | Markets Closed | — |
| 2 | 9 | 11 |

The foregoing settlement dates should be used by brokers, dealers, and municipal securities dealers for purposes of clearing and settling transactions pursuant to the NASD Uniform Practice Code and Municipal Securities Rulemaking Board Rule G-12 on Uniform Practice.

Questions regarding the application of these settlement dates to a particular situation may be directed to the NASD Uniform Practice Department at (212) 858-4341.

*Pursuant to Sections 220.8(b)(1) and (4) of Regulation T of the Federal Reserve Board, a broker-dealer must promptly cancel or otherwise liquidate a customer purchase transaction in a cash account if full payment is not received within seven (7) business days of the date of purchase or, pursuant to Section 220.8(d)(1), make application to extend the time period specified. The date by which members must take such action is shown in the column entitled "Reg. T Date."

Notice To Members

National Association of Securities Dealers, Inc.

January 1989

Number 89-10

Suggested Routing:*

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

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

Subject: NASDAQ National Market System Additions , Changes, and Deletions as of December 13, 1988

As of December 13, 1988, the following four issues joined the NASDAQ National Market System, bringing the total number of issues in NASDAQ/NMS to 2,887:

| Symbol | Company | Entry Date | SOES Execution Level |
|--------|-------------------------------------|------------|----------------------|
| FLSPV | FLS Holdings, Inc. (Ser A Pfd) (WI) | 11/18/88 | 200 |
| GNWF | GNW Financial Corporation | 12/2/88 | 1000 |
| DELE | Del Electronics Corp. | 12/6/88 | 500 |
| WLPI | Wellington Leisure Products, Inc. | 12/8/88 | 500 |

NASDAQ/NMS Pending Additions

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

| Symbol | Company | Location | SOES Execution Level |
|--------|---|----------------|----------------------|
| BLIS | Bliss & Laughlin Industries, Inc. | Harvey, IL | 1000 |
| ERCE | ERC Environmental and Energy Services Co., Inc. | Fairfax, VA | 1000 |
| FMCO | FMS Financial Corporation | Burlington, NJ | 1000 |
| FSII | FSI International, Inc. | Chaska, MN | 1000 |
| HIFS | Hingham Institution for Savings | Hingham, MA | 1000 |
| MALN | Mallon Resources Corporation | Denver, CO | 1000 |
| VANF | VanFed Bancorp | Vancouver, WA | 500 |

NASDAQ/NMS Symbol and/or Name Changes

The following changes to the list of NASDAQ/NMS securities occurred since November 21, 1988.

| New/Old Symbol | New/Old Security | Date of Change |
|-----------------------|--|-----------------------|
| LIVE/LIVE | Live Entertainment, Inc./Lieberman Enterprises, Inc. | 11/23/88 |
| DKAI/FUDD | DAKA International, Inc./Fuddrucker, Inc. | 11/25/88 |
| FSVB/FSLA | Franklin Savings Bank, FSB/Franklin Savings and Loan Association | 11/29/88 |
| PFSB/PFSB | Piedmont Federal Corp./Piedmont Federal Savings Bank | 12/1/88 |
| STSS/WSFS | Star States Corp./Wilmington Savings Fund Society | 12/1/88 |
| CFIXW/CFIXW | Chemfix Technologies, Inc. (6/15/89 Wts)/ Chemfix Technologies, Inc. (12/15/88 Wts) | 12/2/88 |
| IFSL/IFSL | Indiana Federal Corp./Indiana Federal Savings & Loan Association | 12/2/88 |
| CINAV/CINNA | Citizens, Inc. (CI A) (WI)/Citizens Insurance Company of America (CI A) | 12/5/88 |
| DIBK/DIBK | Dime Financial Corp./Dime Savings Bank of Wallingford (The) | 12/5/88 |
| UGAM/GATI | United Gaming, Inc./Gaming and Technology, Inc. | 12/9/88 |

NASDAQ/NMS Deletions

| Symbol | Security | Date |
|---------------|--|-------------|
| HAVA | Harvard Industries, Inc. | 11/18/88 |
| AIMG | Alliance Imaging, Inc. | 11/21/88 |
| CSOLW | Convergent Solutions, Inc. (Wts) | 11/21/88 |
| GACO | GardenAmerica Corp. | 11/22/88 |
| USSSC | U.S. Shelter Corp. | 11/22/88 |
| VIPLF | Vulcan Packaging, Inc. | 11/22/88 |
| AGSI | Advanced Genetic Sciences, Inc. | 11/23/88 |
| BKHT | Berkshire Hathaway, Inc. | 11/29/88 |
| CBOTW | Cabot Medical Corporation (Wts) | 11/29/88 |
| FFOD | First Federal Savings Bank | 11/29/88 |
| CULL | Cullum Companies, Inc. | 11/30/88 |
| HOSPW | Hosposable Products, Inc. (Wts) | 11/30/88 |
| MGCP | Magma Copper Company (CI B) | 12/1/88 |
| CSBM | City Savings Bank of Meriden | 12/2/88 |
| EPUB | Entertainment Publications, Inc. | 12/5/88 |
| ARCE | Air Cargo Equipment Corp. | 12/7/88 |
| CATV | Cable TV Industries | 12/9/88 |
| CTBC | Centerre Bancorporation | 12/12/88 |
| NBCTC | National Bancshares Corporation of Texas | 12/13/88 |

Questions regarding this notice should be directed to Kit Milholland, Senior Analyst, NASDAQ Operations, at (202) 728-8281. Questions pertaining to trade-reporting rules should be directed to Leon Bastien, Assistant Director, NASD Market Surveillance, at (202) 728-8192.

Disciplinary Actions

National Association of Securities Dealers, Inc.

January 1989

68 DISCIPLINARY ACTIONS REPORTED FOR JANUARY

The National Association of Securities Dealers, Inc. (NASD) is taking disciplinary actions against 25 firms and 43 individuals for violations of the NASD Rules of Fair Practice and/or the rules of the Municipal Securities Rulemaking Board. Unless otherwise indicated, suspensions begin with the opening of business on Tuesday, January 3, 1989.

FIRMS SUSPENDED

The following firms were suspended from membership in the NASD for failure to comply with formal written requests to submit financial information to the NASD. The action was based on the provisions of Article IV, Section 5 of the NASD Rules of Fair Practice and Article VII, Section 2 of the NASD By-Laws. The date the suspension commenced is listed after each entry. If the firm has complied with the request for information, the listing also includes the date that the suspension concluded.

Anne Pallie Limited, Rosslyn, VA (December 1, 1988)

Aspen Affiliates, Inc., Princeton, NJ (December 1, 1988)

BFG Financial Services, Inc., Chicago, IL (December 1, 1988)

Citadel Capital Group, Inc., Mobile, AL (December 1, 1988)

David-Maxwell Company, Inc. (The), Fort Lauderdale, FL (December 1, 1988)

Davis & Kahn Equities, Inc., Parker, CO (December 1, 1988)

Diversified Income Investments, Inc., Stuart, FL (December 1, 1988)

Equitrust Securities, Miami, FL (December 1, 1988)

First Arizona Investment, Phoenix, AZ (December 1, 1988)

Harbor Equities, Inc., Lanoka Harbor, NJ (December 1, 1988)

Interwest Securities Corp., Phoenix, AZ (December 1, 1988)

Ironwood Securities, Inc., Tulsa, OK (December 1, 1988)

Lowell H. Listrom & Company, Tampa, FL (December 1, 1988)

North Coast Securities, Inc., Woodhaven, NY (December 1, 1988)

Pennmark Equity Group, Inc., Coconut Grove, FL (December 1, 1988)

PFS Insurance Services, Inc., Redwood City, CA (December 1, 1988)

Sandstone Securities Corp., Wilton Manors, FL (December 1, 1988)

Simon Securities, Inc., Boston, MA (December 1, 1988)

Southwest Capital Securities Corp., Phoenix, AZ (December 1, 1988)

FIRM FINED - INDIVIDUAL BARRED

Heritage Financial Corp. (Lutherville, MD) and **John Wesley George, Jr.** (Registered Principal, Ruxton, MD) were fined \$15,000, jointly and severally, and John Wesley George, Jr., was barred from association with any NASD member in any capacity. The sanctions were based on findings that the firm and George failed to maintain and keep current a general ledger or cash receipts and disbursements blotter from February through October of 1987. They also overstated net capital for September and October of 1987 and failed to give prompt telegraphic notice of the failure to maintain required net capital. Required FOCUS Part IIA Reports also were filed late on two occasions and have not been filed as required for January or February of 1988. The firm and George also failed to respond to the NASD's two requests for the January and February FOCUS Reports and for an explanation of how George intended to bring the firm into net capital compliance. In addition, the firm and George failed to maintain a blanket fidelity bond.

FIRMS AND INDIVIDUALS FINED

Dean Securities, Inc. (Olympia, WA) and **Charles Dean (Registered Principal, Olympia, WA)** were ordered to disgorge \$16,300, and the firm and Dean were jointly and severally fined \$10,000. The sanctions were imposed by the NASD's Board of Governors following its review of a decision rendered by the District Business Conduct Committee for District 1. The sanctions were based on findings that the firm and Dean sold municipal bonds in principal transactions to customers at prices that were not fair and reasonable, in that they charged markups over cost of 4.2 to 7.3 percent in the first five of such transactions and 19 to 20.5 percent in the subsequent 11 transactions.

Dillon Securities, Inc. (Spokane, WA) and **Lyle R. Haas (Registered Principal, Spokane, WA)**. Dillon Securities, Inc., was fined \$20,000 and Lyle R. Haas was fined \$10,000 and required to requalify by examination as a financial and operations principal within ninety (90) days of the date of the decision or to cease functioning as a financial and operations principal thereafter until he requalifies. Dillon and Haas have appealed the NASD decision to the Securities and Exchange Commission. While the matter is being considered by the SEC, the sanctions against Dillon and Haas are not effective. The sanctions were based on findings that the firm and Haas failed to prepare accurate net capital computations for certain periods. In addition, the firm, acting through Haas in his capacity as its financial and operations principal, engaged in a securities business while failing to maintain required net capital of not less than \$100,000. The Respondents also failed to promptly transmit investor checks received in connection with two best-efforts underwritings to a separate escrow account.

This action has been appealed to the Securities and Exchange Commission, and the sanctions are not effective pending consideration of the appeal.

Leumi Securities Corporation (New York, NY) and **Zvi Amit (Registered Principal, New York, NY)** submitted a Letter of Acceptance, Waiver, and Consent pursuant to which the firm and Amit were fined \$15,000, jointly and severally. Without admitting or denying the allegations, the firm and Amit consented to the described sanctions and findings that at certain times they failed to

deposit and maintain the requisite amount in a Special Reserve Account for the Exclusive Benefit of Customers. The firm and Amit also failed to make required weekly computations of the Reserve Formula, prepared an inaccurate computation of the Reserve Formula, and inaccurately computed net capital.

Stern Financial Securities, Inc. (Los Angeles, CA), **Glenn Edwin Stern (Registered Principal, Monrovia, CA)**, and **Nick Antone (Registered Representative, West Covina, CA)**. Stern Financial Securities, Inc., and Glenn Edwin Stern were fined \$14,000, jointly and severally, and Nick Antone was ordered to disgorge \$23,740.50. The sanctions were imposed by the NASD's Board of Governors following its review of a decision rendered by the District Business Conduct Committee for District 2S. The sanctions were based on findings that the firm and Stern permitted Nick Antone to engage in securities transactions on its behalf when Antone was not associated with the firm in any capacity. Antone was paid approximately \$23,142 by Stern Financial in connection with these transactions. Further, Antone engaged in these private securities transactions without prior written notification to his employer, in contravention of the NASD Board of Governors' Interpretation with Respect to Private Securities Transactions then in effect.

INDIVIDUALS BARRED AND SUSPENDED

Ronald Oliver Campbell (Registered Representative, Jersey City, NJ) was fined \$5,500 and suspended from association with any NASD member in any capacity for 30 days. The sanctions were imposed by the NASD's Board of Governors following the appeal of a decision rendered by the District Business Conduct Committee for District 12. The sanctions were based on findings that Campbell effected unauthorized purchase and sale transactions for the accounts of two customers. In addition, Campbell failed to execute a sell order for the account of a customer.

George Frederick Clark, Jr. (Registered Principal, Torrance, CA) was fined \$22,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Clark sold, or caused to be sold, limited partnership interests to at least 22 investors for a total amount of \$525,000 and failed to provide prior written notice of such sales to his employer.

In addition, Clark agreed to perform management services for a limited partnership and, in connection with providing such services and while having a fiduciary duty to the partnership, caused \$62,500 to be diverted from the partnership to make payment to a client in an amount equal to this client's investment in another partnership.

Frances A. Devins (Registered Representative, New York, NY) was fined \$15,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Devins opened an account in the name of a customer and executed a securities purchase in the account without the customer's knowledge or consent. Devins also failed to respond to the NASD's three requests for information made pursuant to Article IV, Section 5 of the NASD Rules of Fair Practice.

Beth Jill DiGiacinto (Registered Representative, Parsippany, NJ) and **Barry Paul Sarin (Registered Representative, Wayne, NJ)** were each fined \$1,000 and suspended from association with any NASD member in any capacity for one (1) year. The sanctions were imposed by the NASD's Board of Governors following the appeal of a decision rendered by the District Business Conduct Committee for District 12. The sanctions were based on findings that DiGiacinto and Sarin provided assistance to one another during the course of the Series 7 examination.

Michael James Earl (Registered Representative, Mill Valley, CA) was fined \$10,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Earl failed to respond to the NASD's three requests for information concerning conversion of funds and the mishandling of a customer's account.

Lawrence C. Gibson (Registered Representative, Corona, CA) was fined \$30,000, suspended from association with any NASD member in any capacity for one (1) year, and required to requalify by examination at the conclusion of such suspension before becoming associated with an NASD member. The sanctions were imposed by the NASD's Board of Governors following the appeal of a decision rendered by the District Business Conduct Committee for District 2N. The sanctions were based on findings that Gibson opened a margin account in his wife's maiden name, over which he had control, without

disclosing these facts to his employer. Thereafter, he caused a debit balance in the account of \$30,521.70 to be transferred to the joint account of two customers. Gibson also failed to respond to the NASD's requests for information concerning this activity.

Herbert Shaw Gordon (Registered Representative, San Rafael, CA) was fined \$15,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Gordon failed to respond to the NASD's three requests for information concerning various allegations made by four customers.

Michael R. Gordon (Registered Representative, Haworth, NJ) was fined \$15,000 and barred from association with any member of the NASD in any capacity. The sanctions were based on findings that, after operational errors had occurred in two customer accounts whereby bonds were delivered to the accounts in error, Gordon transferred the bonds from those accounts to the joint account of his mother-in-law and sister-in-law without their knowledge or consent. Gordon also executed the purchase of call options in the account of customers, and thereafter canceled the transactions and journaled the trade into the account of another customer without this customer's knowledge or consent. Gordon also failed to execute the cancellation of customer bond orders, and changed an address of record without authorization.

Charles F. Griggs, Jr. (Associated Person, Springfield, MA) was suspended from association with any NASD member in any capacity for one (1) year. The sanction was based on findings that Griggs had in his possession, during the course of the Series 6 examination, handwritten notes pertaining to the subject matter of the examination.

John Edward Hurlburt (Registered Representative, San Diego, CA) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was fined \$10,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Hurlburt consented to the described sanctions and findings that, rather than obtaining a transfer fee and letter from a customer authorizing a switch from one fund to another, he instructed the customer to sell the shares in one fund and make a check payable to Hurlburt for the purpose of

investing in the other fund. Hurlburt failed to make such purchase, and thereafter converted the funds to his own use.

Hal Andy Ireland (Registered Principal, Cheney, WA) was fined \$15,000, ordered to disgorge \$5,000, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Ireland received a \$5,000 check from a customer intended for investment, endorsed the check, and converted the funds to his own use and benefit. Ireland thereafter engaged in a course of conduct designed to deceive the customer into believing that the purchase had been made.

Bradley A. Kanode (Registered Representative, Albuquerque, NM) was fined \$45,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Kanode effected seven unauthorized transactions in the securities accounts of six customers. Kanode thereafter offered to personally compensate two of the customers for losses incurred in their accounts as a result of the unauthorized transactions.

Thomas J. Kilgore, III (Registered Representative, Lakewood, CO) was fined \$5,000 and suspended from association with any NASD member in any capacity for two (2) years. The sanctions were based on findings that Kilgore executed 12 unauthorized transactions in the accounts of three customers.

Allen Roy Miller (Registered Representative, Huntington Beach, CA) was fined \$15,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Miller failed to respond to the NASD's three requests for information regarding his involvement in certain real estate loans that resulted in his termination of employment with a member firm.

Charles Edwin Paul, Jr. (Registered Principal, Boynton Beach, FL) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was fined \$10,000 and suspended from association with any NASD member in any capacity for sixty (60) days. Without admitting or denying the allegations, Paul consented to the described sanctions and findings that he effected an unauthorized transaction in the account of a customer for a total amount of \$6,510. After the customer complained to Paul's employer, and without

his employer's knowledge or consent, Paul paid the customer \$1,000 to settle the complaint and further promised to pay the remaining balance by liquidating the securities. Once liquidated, the proceeds were transmitted by Paul to the customer in final settlement without his employer's knowledge or consent. In connection with these activities, Paul made false and misleading representations to the NASD.

Clifford E. Romain (Registered Representative, Bronx, NY) was fined \$5,000, suspended from association with any NASD member in any capacity for two (2) years, and required to re-qualify by examination as a representative at the conclusion of such suspension before becoming associated with any NASD member. The sanctions were based on findings that Romain failed to respond to the NASD's two requests for information made pursuant to Article IV, Section 5 of the NASD Rules of Fair Practice.

Gary Earl Sargent (Registered Representative, Spokane, WA) was fined \$130,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Sargent sold to at least 26 investors approximately 330,000 shares of stock totaling \$160,000 and, in connection with such activity, failed to provide prior written notice to his employer.

George J. Schwabe, Jr. (Registered Representative, Glenview, IL) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was fined \$35,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Schwabe consented to the described sanctions and findings that he made improper use of the funds of seven customers, in that he accepted customers' variable annuity investment checks, totaling approximately \$27,000, issued to either himself or his company, and deposited these monies to his own bank account for his own use and benefit.

Dale Owen Springer (Registered Representative, Windsor Locks, CT) submitted an Offer of Settlement pursuant to which he was fined \$15,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Springer consented to the described sanctions and findings that, while acting in the capacity of an insurance agent and without the knowledge or consent of at least 27 customers,

he falsified insurance transactions purportedly made on their behalf, through which he received from his employer checks totaling at least \$25,147.22. Springer thereafter withheld and misappropriated the funds to his own use and benefit. In addition, Springer failed to respond to the NASD's three requests for information made pursuant to Article IV, Section 5 of the NASD Rules of Fair Practice concerning the termination of his employment with a member firm.

Edgar Bradley Sylvester, Jr. (Registered Representative, Vancouver, WA) was fined \$50,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Sylvester received 17 checks totaling \$36,323.17 from three customers intended for investment that he negotiated and converted to his own use and benefit.

Daryl Allen Wakefield (Registered Representative, Portland, OR) was fined \$15,000, ordered to disgorge \$1,250, and barred from association with any NASD member in any capacity. The sanctions were based on findings that Wakefield solicited a customer to invest \$1,250 to purchase approximately 7,400 shares of stock and obtained a check for that amount to pay for the investment. Wakefield failed to effect such purchase, but instead endorsed the check and used the funds for his own benefit. Wakefield thereafter engaged in a course of conduct designed to deceive the customer into believing that the purchase had been made.

Timothy A. Williams (Registered Representative, New York, NY) was fined \$25,000 and barred from association with any NASD member in any capacity. The sanctions were based on findings that Williams drew checks totaling \$8,000 on the mutual fund accounts of two customers, which he deposited into his personal bank account without the authorization or consent of the customers. Williams also failed to respond to the NASD's request for information made pursuant to Article IV, Section 5 of the NASD Rules of Fair Practice.

Dean I. Zochert (Registered Representative, Augusta, GA) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which he was fined \$10,000 and barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Zochert con-

sented to the described sanctions and findings that he made improper use of the funds of six customers, in that he made loans and withdrawals to himself from the customers' insurance policies, totaling \$9,359.22, without the knowledge or consent of the customers.

INDIVIDUALS FINED

Anne Lane Davidson (Registered Representative, Dallas, TX) submitted a Letter of Acceptance, Waiver, and Consent pursuant to which she was fined \$17,500. Without admitting or denying the allegations, Davidson consented to the described sanctions and findings that she engaged in private securities transactions outside the scope of her employment without prior written notification to her employers, in contravention of the NASD Board of Governors' Interpretation with Respect to Private Securities Transactions then in effect.

Donald Robin Mead (Registered Representative, Portland, OR) was fined \$15,000 and required to requalify by examination before again becoming registered with another NASD member. The sanctions were based on findings that Mead executed an unauthorized purchase of 2,000 shares of stock for \$54,502 in the account of a customer.

FIRM EXPELLED FOR FAILURE TO PAY FINES AND COSTS IN CONNECTION WITH VIOLATIONS

Metropolitan Asset Securities, Ltd., New York, NY

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

Harry Abrams, Bellmore, NY
 Brian J. Bright, Spokane, WA
 Michael P. Cates, Dallas, TX
 James G. Fussell, Jr., San Francisco, CA
 James W. Ganson, San Jose, CA
 Richard F. Gerry, Denver, CO
 Paul Hickey, New York, NY
 Ronald E. Macrae, San Francisco, CA
 Patrick L. Moore, Laguna Beach, CA
 Seif Saghri, New York, NY
 Ronald D. Wheeler, Sr., Las Vegas, NV

For Your Information

National Association of Securities Dealers, Inc.

January 1989

Toll-Free Numbers for New York NASDAQ Operations Center Take Effect Soon

With the opening of business on January 9, 1989, the New York NASDAQ Operations Center may be reached via toll-free 800 service from all locations.

Effective January 9, 1989, the new numbers are:

For SOES operations information (e.g., routing, registering): (800) 635-6481

For the rest of NASDAQ: (800) 635-6485

The following numbers remain unchanged:

Trade Reporting (212) 509-3618

CAE/ITS (212) 509-3615

Series 7 Test Changes in January and February; Permanent Site Change in Houston

Atlanta Test Site for January

Due to unexpected circumstances, the Atlanta Series 7 test site has been changed. Candidates planning to take the exam January 21, 1989, in Atlanta should report to:

Ramada Inn
I-85 & Shallowford Road
Atlanta, GA

Signs will be posted prominently in the lobby to direct candidates to the exam.

Memphis Test Site for January

The January 21, 1989, Series 7 exam in Memphis will be held at:

Holiday Inn
Overton Square
1837 Union Avenue
Memphis, TN

Signs will be posted prominently to direct candidates to the exam.

Permanent Site Change

Effective January 3, 1989, all Series 7 exams in Houston will be held at:

INNOVA Center
20 Greenway Center
Houston, TX 77046

INNOVA is located one block west of the Summit Sports Arena, where free parking is available.

February Series 7 Date Changes

Because of the national holiday that falls the third weekend of the month, the February Series 7

exam session will be conducted February 11, 1989. Certain exam centers were unable to adjust their schedules to accommodate this change and will administer the exam on February 18, 1989.

Centers administering tests on February 11, 1989:

Albuquerque, NM
Amarillo, TX
Anchorage, AK
Boise, ID
Boston, MA
Charlotte, NC
Chicago, IL
Cleveland, OH
Dallas, TX
Dearborn, MI
Denver, CO
Great Falls, MT
Honolulu, HI
Houston, TX
Kansas City, MO
Indianapolis, IN
Lincoln, NE

Los Angeles, CA
Memphis, TN
Miami, FL
New Orleans, LA
New York, NY
Orlando, FL
Philadelphia, PA
Phoenix, AZ
Pittsburgh, PA
Portland, OR
Rochester, NY
Salt Lake City, UT
Seattle, WA
St. Louis, MO
Teaneck, NJ
Washington, DC

Centers administering tests on February 18, 1989:

Atlanta, GA
Little Rock, AR

Minneapolis, MN
San Francisco, CA

For information on exams, locations, or dates, contact the Information Services Department at (301) 590-6500.

CORRECTION TO NOTICE TO MEMBERS 88-97

A line of text was inadvertently dropped from Notice to Members 88-97. The Notice is reprinted in its entirety with the missing line in italics. Please note the change below. A revised sample form also is included.

Subject: Implementation of the Form U-4 Disclosure Reporting Page (DRP) Effective Immediately

EXECUTIVE SUMMARY

A new Form U-4 attachment page, the Disclosure Reporting Page (DRP), has been developed for use by member firms to report the details of their registered representatives' disciplinary history. Effective immediately, all information provided to the Central Registration Depository (CRD) relating to Item 22 on Page 3 of Form U-4 should be submitted on a fully completed DRP.

Use of the DRP is expected to streamline the reporting, capture, and dissemination of disciplinary information.

BACKGROUND

In July 1987 the NASD and the North American Securities Administrators Association (NASAA) met to address state concerns regarding the lengthy and often complicated summaries of disciplinary information contained in the CRD data base. The disclosure of disciplinary information by associated persons through Form U-4 historically has been received in a relatively unstructured format, with submissions to CRD ranging from short, free-form summaries to hundreds of pages of documents. The NASD and NASAA sought to streamline and expedite the process of reporting and disseminating disciplinary information through the system. It was agreed that a uniform format for disclosure, which would provide more direction to the person completing the Form U-4, should be created. That format has now been developed and is incorporated into a revised attachment page to Form U-4 called the Disclosure Reporting Page (DRP).

The DRP is designed to simplify the submission of details to disciplinary questions on Form U-4 by soliciting only the pertinent facts relating to the disclosable matter. Since the DRP requires concise answers to these questions, the amount of data captured by CRD will be reduced, and discipli-

nary records will become more succinct and easier to understand. In addition, completion of each of these questions will significantly reduce the amount of paperwork now submitted by member firms.

FILING REQUIREMENTS

The DRP contains nine (9) questions. The first eight (8) questions request specific facts relating to the incident being disclosed and must be answered. The last question provides space for the individual to include an explanation of the *disclosable matter*. *Completion of this question is optional*, and the explanation must fit within the space provided.

A separate DRP must be submitted for each different event or proceeding that is being disclosed. Since an event or proceeding may relate to more than one question under Item 22, only one DRP need be provided, but it must reference all applicable "yes" answers on Page 3. A sample of a properly completed DRP, which provides the details of a settled customer complaint disclosed through Items 22H(1) and 22H(2) of Form U-4, is included. Please note that if the agent used in this example had been the subject of additional customer complaints that required disclosure, completion of a separate DRP would be necessary for each complaint.

Documents no longer are required to be submitted but may be attached to the DRP at the option of the member. If filed, the individual's record will indicate that they have been received, but no information will be captured from the documents. All pertinent details must be contained in the answers to the DRP questions. Jurisdictions that need copies of the documents will continue to request them from the CRD. While it is anticipated that full completion of the DRP will provide sufficient information in most cases, there may be situations where additional details are needed for a jurisdiction to complete its regulatory review. If that situation occurs, the jurisdiction will continue to notify the firm directly to request

For Your Information

the specific information required.

Effective immediately, all future disclosures relating to Item 22 of Form U-4 should be made on the DRP. The DRP should be used for all initial, transfer, and amended disciplinary filings. In order to allow members to become familiar with this new form, and to allow for submission of information that may have already been prepared under the existing format, the CRD will accept both the DRP and existing format until February 1, 1989. Following that date, all information must be provided on the DRP.

The Form U-4 instructions relating to Item 22 have been revised to require the filing of the

DRP for all "yes" answers, and the existing attachment page has been revised to limit its use to the continuation of Form U-4 Items 18, 19, and 20. Firms may continue to use the existing attachment page provided they limit its use to Items 18, 19, and 20 of Form U-4. Copies of the DRP and the revised attachment page are included with this Notice for your firm's use. Please feel free to make copies of these forms.

Questions concerning this notice may be directed to Ellen J. Badler, Assistant Director, Special Registration Review at (301) 590-6743. For copies of the DRP and/or Form U-4, please call NASD Information Services at (301) 590-6500.

FORM U-4
UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER
DISCLOSURE REPORTING PAGE (DRP)

| | | | |
|-------------------------|---------------|---|--|
| LAST NAME DOE | JR./SR., etc. | FIRST NAME JOHN | MIDDLE NAME (Specify if none) ROBERT |
| CRD # 8888888 | NFA # | SOCIAL SECURITY # 000-00-0000 | FIRM CRD # 88888 |

INSTRUCTIONS

This Disclosure Reporting Page (DRP) is to be used to report details of affirmative responses to Item 22 questions.

- Use a separate DRP for each event or proceeding. Complete Items 1-8 below. (Item 9 is optional.)
- One event may result in more than one yes answer in Item 22; if so, use only one DRP to report this information.
- The information provided on this DRP will be entered into the CRD system verbatim. It is very important that clear and concise information be provided for each item on this form.
- It is not a requirement that documents be provided for each event or proceeding. Should they be provided with the DRP, they will not be accepted as disclosure in lieu of answering the questions on this form.

1. This DRP relates to the following questions in Item 22:

| | | | | | | | |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---|------------------------------|----------------------------------|
| <input type="checkbox"/> 22A (1) | <input type="checkbox"/> 22C (1) | <input type="checkbox"/> 22D (3) | <input type="checkbox"/> 22E (3) | <input type="checkbox"/> 22F (1) | <input type="checkbox"/> 22G | <input type="checkbox"/> 22J | <input type="checkbox"/> 22N (1) |
| <input type="checkbox"/> 22A (2) | <input type="checkbox"/> 22C (2) | <input type="checkbox"/> 22D (4) | <input type="checkbox"/> 22E (4) | <input type="checkbox"/> 22F (2) | <input checked="" type="checkbox"/> 22H (1) | <input type="checkbox"/> 22K | <input type="checkbox"/> 22N (2) |
| <input type="checkbox"/> 22A (3) | <input type="checkbox"/> 22D (1) | <input type="checkbox"/> 22E (1) | <input type="checkbox"/> 22E (5) | <input type="checkbox"/> 22F (3) | <input checked="" type="checkbox"/> 22H (2) | <input type="checkbox"/> 22L | <input type="checkbox"/> 22N (3) |
| <input type="checkbox"/> 22B | <input type="checkbox"/> 22D (2) | <input type="checkbox"/> 22E (2) | <input type="checkbox"/> 22E (6) | <input type="checkbox"/> 22F (4) | <input type="checkbox"/> 22I | <input type="checkbox"/> 22M | |

2. Is this DRP being filed to change or update any information regarding a previously reported event or proceeding? YES NO
Complete Items 1-8, and if yes, also circle the items below which are being changed.

3. Who initiated this event or proceeding? (Enter name of firm, regulator, court, customer, etc.)
Mary Smith

4. What type of event or proceeding was this? (i.e. Customer Complaint, Termination, Civil, Administrative, Criminal, Arbitration)
Customer Complaint

5. On what date was the event or proceeding initiated? April 1, 1988

6. Identify the docket or case number of the event or proceeding (if any). N/A

7. What were the allegations against you? (Include amounts of actual or alleged damages or claims.) Smith alleged she did not authorize the sale of shares of ABC Company which I sold for her on March 1, 1988. She also claimed she lost \$10,000 as a result of the sale.

8. a. What is the current status of the event or proceeding? Settled
b. On what date was this status reached? July 4, 1988
c. What was the result? (Include felony/misdemeanor, a description of the penalties, amount of fine, payment or settlement; terms of the disposition, length of suspension or restriction, etc.) The firm decided to settle the claim for \$5,000. I contributed all of the settlement amount.

9. You may provide a brief summary of this event or proceeding. (Your information must fit within the space provided.)

| | | | |
|--------------------|-----------------|-------------------|---|
| <u>12</u> MONTH | <u>1</u> DAY | <u>88</u> YEAR | <u>John Doe</u> SIGNATURE OF APPLICANT |
|--------------------|-----------------|-------------------|---|

Annual Check List of NASD Notices to Members

The following NASD Notices to Members were issued during 1988. Requests for copies of notices should be accompanied by a self-addressed mailing label and sent to: NASD Administrative Services, 1735 K Street, NW, Washington, DC 20006-1506.

| Notice | Date | Topic | Notice | Date | Topic |
|--------|-------|---|--------|-------|--|
| 88-1 | 01/04 | Proposed Amendments to NASD By-Laws and Rules of Fair Practice, and Proposed New Government Securities Rules | 88-15 | 02/24 | Amendment to Schedule A to the NASD By-Laws Re: Increased Application Fee for Member Firms With Statutorily Disqualified Individuals |
| 88-2 | 01/05 | Martin Luther King, Jr., Day: Trade Date-Settlement Date Schedule | 88-16 | 02/24 | NASDAQ National Market System Additions as of March 1, 1988 |
| 88-3 | 01/07 | Amendment to Section 64 of the NASD Uniform Practice Code Re: Acceptance and Settlement of COD Orders, Effective February 11, 1988 | 88-17 | 03/01 | Request for Comments on Proposed Amendments to NASD Rules of Fair Practice to Prohibit Non-Cash Compensation in Connection with Sales of Investment Company and Variable Contract Products |
| 88-4 | 01/14 | NASDAQ National Market System Additions as of January 19, 1988 | 88-18 | 03/04 | Extension of Comment Period: Proposed Amendments to Article III, Section 27 of the NASD Rules of Fair Practice Re: Supervision and the Definitions of "Office of Supervisory Jurisdiction" and "Branch Office" |
| 88-5 | 01/14 | Request for Comments on Proposed NASD Rule of Fair Practice Re: Outside Business Activities | 88-19 | 03/10 | Proposed Amendment to Article VII of the NASD By-Laws Authorizing Mandatory Reporting of Trade Information |
| 88-6 | 01/15 | SEC Approves NASD New Order Confirmation Transaction (OCT) Service | 88-20 | 03/14 | Request for Comments on Proposed Amendment to Article III, Section 35 of the NASD Rules of Fair Practice Relating to Advertising and Sales Literature For Investment Company Securities |
| 88-7 | 01/15 | Year-End Check List of NASD Notices to Members | 88-21 | 03/14 | Good Friday: Trade Date-Settlement Date Schedule |
| 88-8 | 01/20 | Request for Comments on Proposed New Section 3 to Article VII and an Amendment to Article XI, Section 4 of the NASD By-Laws | 88-22 | 03/11 | NASDAQ National Market System Additions as of March 15, 1988 |
| 88-9 | 01/28 | NASDAQ National Market System Additions as of February 2, 1988 | 88-23 | 03/23 | SIPC Trustee Appointed for Windsor Equity Corporation |
| 88-10 | 02/01 | Relocation of NASD New York Offices | 88-24 | 03/30 | Registration of Persons Soliciting on Behalf of Members |
| 88-11 | 02/08 | Proposed Amendments to Article III, Section 27 of the NASD Rules of Fair Practice Re: Supervision and the Definitions of "Office of Supervisory Jurisdiction" and "Branch Office" | 88-25 | 03/30 | NASDAQ National Market System Additions as of April 5, 1988 |
| 88-12 | 02/08 | Presidents' Day: Trade Date-Settlement Date Schedule | | | |
| 88-13 | 02/10 | NASDAQ National Market System Additions as of February 16, 1988 | | | |
| 88-14 | 02/10 | Additional Arbitration Filing Fee and Advertising Service Charge | | | |

For Your Information

| Notice | Date | Topic | Notice | Date | Topic |
|--------|-------|--|--------|-------|--|
| 88-26 | 04/12 | Request for Comments on Proposed Amendments to Appendix A to Article III, Section 30 of the NASD Rules of Fair Practice | | | Amendment to Article III, Section 21 of the NASD Rules of Fair Practice |
| 88-27 | 04/13 | NASDAQ National Market System Additions as of April 19, 1988 | 88-41 | 06/07 | Independence Day Trade Date-Settlement Date Schedule |
| 88-28 | 04/15 | Quarterly Check List of NASD Notices to Members | 88-42 | 06/17 | NASDAQ National Market System Additions as of June 21, 1988 |
| 88-29 | 04/28 | Proposed New Section 3 to Article VII and Amendment to Article XI, Section 4 of the NASD By-Laws Re: Emergency Authority of the NASD Board of Governors | 88-43 | 06/22 | Adoption of Amendments to the Rules of Fair Practice and Procedures For the NASD Small Order Execution System and to Schedule D to the NASD By-Laws, Effective June 30, 1988 |
| 88-30 | 04/28 | NASDAQ National Market System Additions as of May 3, 1988 | 88-44 | 07/01 | Mail Vote on Rule Amendments: Supervision and Definitions of "Branch Office" and "Office of Supervisory Jurisdiction" |
| 88-31 | 05/04 | Proposed Amendments to Article V, Section 1 of the NASD Rules of Fair Practice and Section 12(2) of the Proposed Government Securities Rules Re: Removal of Fine Limitations | 88-45 | 07/01 | Mail Vote on Proposed Rule Re: Outside Business Activity |
| 88-32 | 05/10 | Amendment to the NASD Board of Governors' Corporate Financing Interpretation Re: Public Offerings When Proceeds Are Directed to NASD Members | 88-46 | 07/01 | Rule Amendments to Authorize Trading Halts in NASDAQ Securities |
| 88-33 | 05/12 | Adoption of Amendments to Schedule E to the NASD By-Laws, Effective Immediately | 88-47 | 07/01 | Request for Comments Re: Prompt Receipt and Delivery of Securities |
| 88-34 | 05/12 | Adoption of New Section 67 of the NASD Uniform Practice Code Re: Delayed Closings, Effective June 12, 1988 | 88-48 | 07/01 | Request for Comments on Amendment Re: Filling Vacancies on District Committees |
| 88-35 | 05/12 | NASDAQ National Market System Additions as of May 17, 1988 | 88-49 | 07/01 | Request for Comments on Proposed Prohibition of Concurrent Registration |
| 88-36 | 05/19 | Memorial Day Trade Date-Settlement Date Schedule | 88-50 | 07/01 | Guidelines for Registration of Persons Soliciting on Behalf of Members |
| 88-37 | 05/26 | SIPC Trustee Appointed: Omni Mutual, Inc. | 88-51 | 07/01 | Registration of Foreign Branch Offices by August 1, 1988 |
| 88-38 | 05/31 | SEC Approves New Category of Limited Representative Registration Corporate Securities Examinations (Series 62); Study Outline Available | 88-52 | 07/01 | Rule Amendment Re: Testimonial Advertisements |
| 88-39 | 06/01 | NASDAQ National Market System Additions as of June 7, 1988 | 88-53 | 07/01 | SIPC Trustee Appointed for Fitzgerald, DeArman & Roberts |
| 88-40 | 06/01 | Adoption of New Schedule H to the NASD By-Laws and Proposed | 88-54 | 07/01 | (Supplement 1) Implementation of Reporting Requirements for Non-NASDAQ OTC Securities |
| | | | 88-55 | 08/01 | Amendments Adopted Re: Sharing in Customer Accounts |
| | | | 88-56 | 08/01 | Revisions to Form BD; State Pilot for Broker-Dealer Phase of CRD |
| | | | 88-57 | 08/01 | NASDAQ National Market System Additions, Changes, and Deletions as of July 22, 1988 |

For Your Information

| Notice | Date | Topic | Notice | Date | Topic |
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| 88-58 | 08/01 | September First-Saturday Exam Session Date Changes | | | DBCC and Market Surveillance Hearings |
| 88-59 | 08/01 | Schedule for Labor Day Trade Date-Settlement Date | 88-75 | 10/01 | Amendment Eliminating the Fine Ceilings in Disciplinary Proceedings |
| 88-60 | 08/01 | Second-Quarter 1988 Notices to Members Check List | 88-76 | 10/01 | Houston Test Center Change for October 15 Series 7 Examination |
| 88-61 | 08/25 | (Supplement) Interpretation of SOES Rules Re: Maximum Order-Size Restrictions | 88-77 | 10/01 | SIPC Trustee Appointed for Fairweather (George R.) Securities, Inc. |
| 88-62 | 09/01 | SEC Adopts Rule 10b-21 Prohibiting Short Selling into Secondaries | 88-78 | 10/01 | New Telephone Number for NASD's Rockville, MD Office Effective October 14, 1988 |
| 88-63 | 09/01 | SEC Approves Rule: Issuing Companies Must Notify NASD Re: Material News Before Public Release | 88-79 | 10/01 | NASDAQ National Market System Additions, Changes, and Deletions as of September 16, 1988 |
| 88-64 | 09/01 | Mail Vote on Proposed Amendment Re: Advertising and Sales Literature for Investment Company Securities | 88-80 | 10/01 | Third-Quarter 1988 Check List of NASD Notices to Members |
| 88-65 | 09/01 | Request for Comment: Proposed Amendment Re: Use and Disclosure of Member Names | 88-81 | 10/01 | NASD Raises Corporate Filing Fees, Effective October 1, 1988 |
| 88-66 | 09/01 | Test Center Location Change for September Houston Series 7 Exam | 88-81A | 11/01 | Broker-Dealer and Agent Renewals for 1988-89 |
| 88-67 | 09/01 | Obligation to Provide Accurate Information on Forms U-4 and U-5 and Research Potential Employees' Backgrounds | 88-82 | 11/01 | Holiday Trade Date-Settlement Date Schedules |
| 88-68 | 09/01 | Request for Comment: Providing Terminated Employees with Form U-5 and Obtaining Prior Form U-5 for Potential Employees | 88-83 | 11/01 | Amendment Re: Marking Customer Order Tickets |
| 88-69 | 09/01 | Procedures to Document Excused Withdrawal Under Schedule D of By-Laws | 88-84 | 11/01 | Approval of the Rules Re: Supervisory Practices |
| 88-70 | 09/01 | Schedule for Columbus Day Trade Date-Settlement Date | 88-85 | 11/01 | SEC Approval Re: Handling Customers' Limit Orders |
| 88-71 | 09/01 | NASDAQ National Market System Additions, Changes, and Deletions as of August 19, 1988 | 88-86 | 11/01 | Approval of Rules Re: Outside Business Activities |
| 88-72 | 10/01 | Mail Vote on Proposed Change in Definition of "Bona Fide Research" | 88-87 | 11/01 | Request for Comments: Predispute Arbitration Clauses |
| 88-73 | 10/01 | UPC Amendment Requires Syndicate Managers to Provide Itemized Expense Statements to Members of Underwriting Syndicates | 88-88 | 11/01 | Amendment Re: Prohibition on Non-Cash Sales Incentives in Public Offerings |
| 88-74 | 10/01 | Amendments to Code of Procedure Re: Composition of Panels for | 88-89 | 11/01 | Amendment to NASD By-Laws Re: Definition of Qualified Independent Underwriter |
| | | | 88-90 | 11/01 | Request for Comments: Training, Qualification, and Registration |
| | | | 88-91 | 11/01 | Request for Comments: Customer Account Information |
| | | | 88-92 | 11/01 | Request for Comments: Corporate Financing Rule |
| | | | 88-93 | 11/01 | Amendment to Free-Riding Interpretation |
| | | | 88-94 | 12/01 | NASDAQ/NMS Additions and Deletions |

For Your Information

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| 88-95 | 12/01 | SEC Approval of Amendment to NASD Rules of Fair Practice Re: Prompt Payment to Investment Companies | 88-100 | 12/01 | Mergers by Members With Blind-Pool Companies |
| 88-96 | 12/01 | SEC Approval of Amendments and New Government Securities Rules | 88-101 | 12/01 | Clarification of NASD Filing Requirements and Review Procedures for Offerings Made Pursuant to SEC Rule 415 |
| 88-97 | 12/01 | Implementation of the Form U-4 Disclosure Reporting Page (DRP) | 88-102 | 12/01 | Additions to NASDAQ National Market System as of November 21, 1988 |
| 88-98 | 12/01 | Request for Comments: Proposed Amendment to Schedule E Re: Exemption From the Pricing Requirements for Shelf Offerings to Institutional Investors | 88-103 | 12/19 | (Supplement) Adoption of Rule Amendments — Effective Immediately — to Prohibit Professional Trading in SOES |
| 88-99 | 12/01 | Christmas Day, New Year's Day, Martin Luther King, Jr. Day: Trade Date-Settlement Date Schedule | 88-104 | 12/30 | (Supplement) Adoption of Rule Amendments Mandating the Automated Submission of Trading Data — Effective February 12, 1989 |