Executive Summary

The NASD Regulation, Inc. (NASD Regulation) Office of General Counsel (OGC) announces the quarterly distribution of a new publication entitled the Disciplinary Update. The Disciplinary Update will contain straightforward summaries designed to be of instructional value for compliance officials and registered persons. It will focus on factual and legal findings and the sanctions imposed in recent disciplinary decisions and settlements involving registered representatives.

Questions/Further Information

Questions concerning this Notice may be directed to Carla J. Carloni, Associate General Counsel, Office of General Counsel, NASD Regulation, at (202) 728-8019.

NASD Regulation OGC Announces Publication Of The Disciplinary Update

The NASD Regulation OGC announces the publication of the Disciplinary Update. The purpose of the Disciplinary Update is to provide registered representatives with a summary of select, recent disciplinary actions involving misconduct by registered representatives. The sampling includes settlements and decisions in litigated matters. This document is intended to be easily read and understood by non-lawyers so that it can be most useful to compliance officers and registered persons.

The goal is for the Disciplinary Update to serve as a teaching tool that compliance officers can share with all individuals associated with their firms. The Disciplinary Update will not report on every disciplinary decision and settlement. It will report only on selected settlements, Hearing Panel, National Adjudicatory Council, and Securities and Exchange Commission decisions (in NASD disciplinary matters) that NASD Regulation OGC believes would be useful to report in this fashion. Since the Disciplinary Update is not intended to be used for legal research, the summaries will not include references to case names or numbers or other identifying factors. Rather, the summaries will be organized by subject matter and will include a brief discussion of facts, findings, and sanctions.

The Disciplinary Update is not intended to replace or supplement the disciplinary information and decisions found on the NASD Regulation Web Site (www.nasdr.com) or announced in NASD Notices to Members. The decisions and settlements referenced in the Disciplinary Update are subject to the restrictions regarding the release of disciplinary information contained in IM-8310-2 (Release of Disciplinary Information) in the NASD Manual.

The Disciplinary Update will be published quarterly on the NASD Regulation Web Site under the “Brokers” section. NASD Regulation will alert member firms about the posting of this document via the weekly e-mail broadcast sent to NASD Executive Representatives.