

Information Memo



New York
Stock Exchange, Inc.

Member Firm Regulation

20 Broad Street
New York, NY 10005

Number 01-6
March 7, 2001

ATTENTION: CHIEF EXECUTIVE OFFICER, MANAGING PARTNER, CHIEF COMPLIANCE OFFICER, REGISTRATION DEPARTMENT

TO: MEMBERS AND MEMBER ORGANIZATIONS

SUBJECT: REVISED INTERPRETATION TO RULE 345A - CONTINUING EDUCATION FOR REGISTERED PERSONS

A revised interpretation to Exchange Rule 345A regarding administration of the Continuing Education Regulatory Element Program by members and member organizations to its registered persons has been approved by the Securities and Exchange Commission on January 12, 2001 by Release No. 34-43838 and will become effective on March 11, 2001.

The new interpretation (Rule 345A(a)/03) permits members and member organizations to administer the Continuing Education Regulatory Element Program to its registered persons by instituting an in-firm program acceptable to the Exchange (as opposed to solely using vendor testing centers). Other SROs will be implementing substantially similar procedures and requirements for in-firm delivery of the Regulatory Element Program.

Prior to members and member organizations electing to commence in-firm delivery of the Continuing Education Regulatory Element Program, they are required to develop specific procedures as outlined in the "NYSE Rules" Section of the HANDBOOK and Interpretation Memo 01-02 dated March 7, 2001. In addition, members and member organizations must file with their Designated Examining Authority ("DEA"), a letter of attestation signed by a senior officer or partner, attesting to the establishment of those procedures. Letters of Attestation from members and member organizations should be sent to Ms. Roni Meikle, Continuing Education Department, NYSE, 20 Broad Street, 23rd Floor, New York, NY 10005.

Communication links and firm delivery computer hardware and software must comply with standards (please see Exhibit A) established by Virtual University Enterprises (VUE), a division of NCS Pearson, Inc., the vendor designated to facilitate In-Firm Delivery. Firms must install *VUE Testing System* software (*Testing System*) for each In-Firm Delivery site the firm operates, and execute a single software licensing agreement with VUE. The *Testing System* software costs \$600 to install at each site.

Members and member organizations offering in-firm delivery may also continue to send their registered persons to Sylvan/Prometric sites. The CRD account of a member organization delivering the Regulatory Element on site will be charged \$62 per session versus \$65 charged when the registered persons takes a Regulatory Element session at a Sylvan/Prometric Technology Center. There will be no charge to a member organization if a registered person cancels or does not keep an in-firm delivery appointment, whereas there will continue to be a \$65 charge to the member organization if a registered person does not keep or cancels a Sylvan/Prometric appointment within 2 ½ business days of the appointment date.

Questions concerning this Information Memorandum may be directed to Roni Meikle, Manager, NYSE Continuing Education at 212-656-2156, or Pat DeVita, NYSE Continuing Education Communications Coordination at 212-656-2746. For issues regarding technical requirements or the software licensing agreement, please call NASD Regulation, Inc. (NASDR) Field Support Services at 301-590-6000.

Salvatore Pallante
Executive Vice President