

Information Memo

New York Stock Exchange, Inc.
20 Broad Street
New York, NY 10005

Member Firm Regulation



Number 02-26
June 26, 2002

ATTENTION: CHIEF EXECUTIVE OFFICER, MANAGING PARTNERS,
RESEARCH, COMPLIANCE, LEGAL, AND INVESTMENT
BANKING DEPARTMENTS

TO: ALL MEMBERS AND MEMBER ORGANIZATIONS

SUBJECT: DISCLOSURE AND REPORTING REQUIREMENTS

On May 10, 2002, the Securities and Exchange Commission approved amendments to Exchange Rule 472 (“Communications with the Public”) and Rule 351 (“Reporting Requirements”)¹ (see attached Exhibit B). The SEC also simultaneously approved new NASD Rule 2711 (“Research Analysts and Research Reports”).

The amendments place prohibitions and/or restrictions on Investment Banking Department, Research Department and Subject Company relationships and communications and impose new disclosure requirements on members and member organizations and their associated persons. The amendments are intended to increase associated persons’ (research analysts) independence from influences within their firms and provide disclosure of conflicts of interests which might potentially bias such associated persons and the research reports they produce.

This Information Memo includes a Joint Memorandum of NYSE and NASD (see attached Exhibit A) that provides interpretive guidance for the new NYSE and NASD Rules as well as the implementation schedule for the Rules (please see NYSE Information Memo No. 02-24, dated May 20, 2002, for additional information).

Questions regarding this Memo may be directed to William Jannace at (212) 656-2744 or Mary Anne Furlong at (212) 656-4823.

Salvatore Pallante
Executive Vice President

Attachments

¹ SR-NYSE-2002-09, Securities Exchange Act Release No. 45908 (May 10, 2000).