

Information Memo

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

Member Firm Regulation



Number 02-52
November 18, 2002

ATTENTION: FLOOR MEMBERS, CHIEF EXECUTIVE OFFICER / MANAGING PARTNER, LEGAL, COMPLIANCE AND REGISTRATION DEPARTMENTS

TO: ALL MEMBERS AND MEMBER ORGANIZATIONS

SUBJECT: NEW FORMS U-4 AND U-5 FILING PROCEDURES THROUGH WEB CRD

THIS MEMORANDUM MAY REQUIRE ACTION BY MEMBERS AND MEMBER ORGANIZATIONS

This memorandum is to advise Exchange members and member organizations of a change in the filing procedures for Forms U-4 and U-5¹ that will affect all Exchange **Members**² whether or not associated with a member organization.

In 2000, with the exception of **Members** (ME), the Exchange implemented changes in its registration procedures to require that all Forms U-4 and U-5 be electronically filed through NASD's Web CRDSM system. (See Information Memorandum Nos. 00-4, dated February 7, 2000, and 00-25, dated October 13, 2000, for details concerning the new filing requirements.)

Beginning January 13, 2003, the Exchange will require that Forms U-4 and U-5 also be electronically filed through the Web CRD system on behalf of all Exchange **Members** whether or not associated with a member organization. An original fingerprint card will continue to be required to be submitted directly to the Exchange.

Effective January 13, 2003, the procedures for Exchange registration will be as follows:

I. New Applicants

Form U-4 applications requesting the NYSE Member (ME) registration category must be electronically filed through Web CRD. If the applicant for membership is registered with the same member or member organization in another registration category (e.g., FE, GS), only Page 1 of the U-4 requesting the ME registration category should be filed. All other documents in connection with the application and an original fingerprint card should continue to be submitted to Membership Services. In addition, an original NASD fingerprint card, or a copy of the

¹ Form U-4 is the "Uniform Application for Securities Industry Registration or Transfer;" Form U-5 is the "Uniform Termination Notice."

² "Member" refers to a natural person (Article 1, Sec. 3 (h) of the NYSE Constitution).

fingerprint results processed by and returned from the Exchange, must be submitted to CRD within 30 days of the filing of the U-4 on Web CRD. For additional information on Exchange membership, please contact Steve Fuller in Membership Services at (212) 656-2071.

II. Applications in Process

Proposed **Members** should electronically file either a full Form U-4, or Page 1, if the individual is registered with the same member or member organization in another category (e.g., GS), through Web CRD, prior to the anticipated approval date or no later than January 31, 2003, whichever comes first. Either an original NASD fingerprint card, or a copy of the fingerprint results processed by and returned from the Exchange, must be submitted to CRD within 30 days of the filing of the U-4 on Web CRD.

III. Conversion of all Currently Approved Members (Whether or not Associated With a Member Organization)

Current **Members** as of January 10, 2003, must electronically file either a full Form U-4, or Page 1, if the individual is registered with the same member or member organization in another category (e.g., GS), through Web CRD, no later than January 31, 2003. In addition, either an original NASD fingerprint card, or a copy of the fingerprint results processed by and returned from the Exchange, must be submitted to CRD within 30 days of the filing of the U-4 on Web CRD. The Exchange will update the CRD system to reflect the original ME date.

IV. Lessors

Lessors (i.e. **Members** who lease their seats) and who also themselves are not associated with a member or member organization, will continue to file hard copy Forms U-4, U-5 and fingerprint cards with Membership Services and do not have to file on Web CRD, unless they become associated with a member or member organization or sole proprietor.

Members who subsequently lease their seat after approval for **Member** status has been granted, must file either a full or partial Form U-5 through CRD to terminate the ME registration, depending on whether they will become (or remain) associated with the member organization in another registered capacity.

Termination of Member (ME) Registration

Beginning January 13, 2003, Form U-5 termination notices, and amendments thereto, are to be electronically filed through Web CRD. If the individual will be maintaining registration with the same member or member organization in another registration category, a partial Form U-5 should be filed to terminate the ME registration only. During the conversion of currently approved **Members**, if the individual's registration as a **Member** terminates prior to the Form U-4 submission to Web CRD, a hard copy Form U-5 must be submitted to Membership Services.

Floor Member Examinations

Results for the four NYSE Floor Member Examinations will not be recorded in Web CRD at this time. These examinations include the Floor Member (Series 15) Examination, the Specialist Examination, the Registered Competitive Market Maker Examination and the Competitive Market Maker Examination. The Exchange anticipates recording these Floor Member examination results in Web CRD in the near future.

Continuing Education (CE)

Floor Member continuing education requirements will not be tracked through the Web CRD system. The Web CRD system will continue to track continuing education requirements for other registration categories which the **Member** may hold (e.g., GS, PM). (See Exchange Information Memorandum No. 02-6, dated February 1, 2002, for information concerning the Floor Member Continuing Education Program).

Obligation to Keep U-4 Current

Members and member organizations are reminded that Form U-4 applications must be kept current. Any changes on behalf of all **Members**, including reporting an event that would change the response to questions 14A through 14M of Form U-4, must be reported by filing an amended Form U-4 through Web CRD. **Moreover, all changes of either home or business addresses and answers to questions 14A through 14M should be sent to Membership Services, as well as, filed electronically on Web CRD.**

Any changes to Form U-4 on behalf of **Lessors** must be sent to Membership Services.

Things to Know About Registrations for Members (ME) and Floor Employees (FE)

- **Floor Employees (FE), Trading Assistants (TA), and Front Line Specialist Clerks (SC) Who Become Members**

Proposed **Members** who have been employed with the same member or member organization and are registered as a Floor Employee (FE), Trading Assistant (TA) - Series 25, and/or Front Line Specialist Clerk (SC) - Series 21, should file Page 1 of the Form U-4 through Web CRD requesting the NYSE ME registration category. Upon approval as a **Member** (ME), the FE, TA and/or SC registration(s) will be terminated in the CRD system.

- **Floor Members (ME) and Floor Employees (FE) Who Conduct Business with the Professional Customers - Series 7A³ (PM or PC Registration Categories)**

Floor **Members** who have passed the Series 7A Examination and are conducting business with professional customers must also be registered in the NYSE PM registration category. Floor Employees (FE) who have passed the Series 7A Examination and are conducting business with professional customers must also be registered in the NYSE PC registration category. Proposed **Members** who have been employed with the same member or member organization and are registered as a Floor Employee (FE) and Floor Clerk Conducting Business with the Public (PC), should file Page 1 of the Form U-4 through Web CRD requesting the NYSE ME and PM registration

³ The 7A examination is for persons whose public business is limited to conducting business in NYSE-listed securities solely with professional customers on the NYSE Trading Floor. See also Exchange Information Memoranda Nos. 91-25, 93-37, 99-55, 01-18 and 01-41 for additional requirements regarding conducting a public business.

category. Upon approval as a **Member** (ME), the PC registration will be terminated, as well as the FE, TA and/or SC registration(s) mentioned in the paragraph above.

- **Floor Members (ME) and Floor Employees (FE) Who Conduct Business with the Public - Series 7**

Floor Members who have passed the Series 7 Examination and are conducting business with the public must also be registered in the NYSE GS registration category. The GS registration category applies for both **Members** (ME) and Floor Employees (FE) Conducting Business with the Public.

Questions concerning membership may be directed to Steve Fuller at (212) 656-2071. Questions concerning other registrations and Web CRD filing procedures may be directed to Peggy L. Germino at (212) 656-8450 or Jacob Rivers at (212) 656-5567.

Salvatore Pallante
Executive Vice President