



National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 86-86

December 15, 1986

TO: All NASD Members and Level 2 and Level 3 Subscribers

RE: NASDAQ National Market System Grows to 2,709 Securities With 26 Voluntary Additions on December 16, 1986

On Tuesday, December 16, 1986, 26 issues are scheduled to join the NASDAQ National Market System, bringing the total number of issues in NASDAQ/NMS to 2,709. These 26 issues, which will begin trading under real-time trade reporting, are entering NASDAQ/NMS pursuant to the Securities and Exchange Commission's criteria for voluntary designation.

The 26 issues scheduled to join NASDAQ/NMS on Tuesday, December 16, 1986, are:

Symbol*	Company	Location
FAMB	1st American Bank for Savings	Boston, MA
ADVO	ADVO System, Inc.	Hartford, CT
CIOTS	Consolidated Capital Income Opportunity Trust/2	Emeryville, CA
CIOTW	Consolidated Capital Income Opportunity Trust/2 (Wts)	Emeryville, CA
DMCB**	Data Measurement Corporation	Gaithersburg, MD
DCPY	Datacopy Corporation	Mountain View, CA

* NASDAQ symbols are proprietary to the National Association of Securities Dealers, Inc.

** This issue is scheduled to commence trading in the NASDAQ System concurrently with its designation as a NASDAQ/NMS security on December 16, 1986.

Symbol*	Company	Location
DIBK***	Dime Savings Bank of Wallingford (The)	Wallingford, CT
DXYN	Dixie Yarns, Inc.	Chattanooga, TN
FFPC	First Federal Savings & Loan of Panama City	Panama City, FL
HSBK	Hibernia Savings Bank (The)	Boston, MA
LBFC	Landmark Financial Corporation	Hartford, CT
MLXX	MLX Corp.	Troy, MI
METR	Metrobank, N.A.	Los Angeles, CA
MUNI	Municipal Development Corporation	New York, NY
NVIS	National Video, Inc.	Portland, OR
NFSL	Newnan Federal Savings & Loan Association	Newnan, GA
NUTM	Nutmeg Industries, Inc.	Tampa, FL
PEBW	Peoples Savings Bank	Worcester, MA
SIGN	Plasti-Line, Inc.	Knoxville, TN
SGOPP	Seagull Energy Corporation (Pfd)	Houston, TX
SFBM	Security Federal Savings Bank	Billings, MT
SOBK	Southern Bankshares, Inc.	Beckley, WV
SYRA	Syracuse Supply Company	Syracuse, NY
TCEL	T Cell Sciences, Inc.	Cambridge, MA
TLII	Trans Leasing International, Inc.	Northbrook, IL
UCFC	UniCARE Financial Corp.	Irvine, CA

The following issues may be included in NASDAQ/NMS prior to the next regularly scheduled phase-in date:

Pending Additions

Symbol*	Company	Location
ALNT	Alliant Computer System Corporation	Littleton, MA
BTCI	Brown Transport Co., Inc.	Atlanta, GA
COCR	Community Credit Co.	Minneapolis, MN
COTG	Cottage Savings Association	Cincinnati, OH
DIAL	Dial REIT, Inc.	Omaha, NE
DCPI	dick clark productions, inc.	Burbank, CA
POWR	Environmental Power Corporation	Boston, MA
FFAL	First Federal of Alabama, F.S.B.	Joseph, AL
FCHT	First Federal Savings and Loan Association of Chattanooga	Chattanooga, TN

*** This company was originally scheduled to enter NASDAQ/NMS on December 2, 1986. It has been rescheduled to enter on December 16, 1986.

Once an ineligible person's registration with a member firm has been approved, the person will not be required to undergo eligibility proceedings in connection with any future applications for registration in the capacity in which his registration was approved, assuming that the individual is not otherwise ineligible. An additional eligibility proceeding would be required, for example, if an individual who was previously approved as a registered representative requested registration in a principal capacity.

The Board of Governors recognizes the significant constraints that the proposed amendments would create for persons subject to its provisions. It believes, however, that the NASD's careful review of such persons' participation in the events and circumstances that led to the liquidation of a broker-dealer as well as their proposed activities, prior to approving their association with another broker-dealer, will prove beneficial to public customers. The Board believes that the proposed amendments will help reduce the number of SIPA liquidations, aid in the preservation of the funds administered by SIPC to meet the obligations of insolvent broker-dealers, and reduce the inconvenience and risk that may be incurred by public customers as a result of SIPA liquidations.

The NASD encourages all members and other interested persons to comment on the proposed amendments. Comments should be directed to:

Mr. Lynn Nellius
Secretary
National Association of Securities Dealers, Inc.
1735 K Street, N.W.
Washington, D.C. 20006-1506

Comments must be received no later than January 5, 1987. Comments received by this date will be considered by the NASD Qualifications Committee and the NASD Board of Governors. If the proposed amendments are approved by the Board, the amendments must be filed with and approved by the Securities and Exchange Commission before becoming effective.

Questions concerning this notice may be directed to Mary S. Head, NASD Office of General Counsel, at (202) 728-8284.

Sincerely,



Frank J. Wilson
Executive Vice President
Legal and Compliance

Attachment

**Proposed Amendments to Article II,
Sections 3, 4 and 5 of the NASD By-Laws***

- Sec. 3 (a) No registered broker, dealer or municipal securities broker or dealer shall be admitted to membership, and no member shall be continued in membership, if such broker, dealer, municipal securities broker or dealer or member fails or ceases to satisfy the qualification requirements under Section 2 of this Article, or if such broker, dealer, municipal securities broker or dealer or member is or becomes subject to a disqualification under Section 5 [4] of this Article.
- (b) No person shall become associated with a member, or continue to be associated with a member, or transfer association to another member, if such person fails or ceases to satisfy the qualification requirements under Section 2 of this Article, if such person is or becomes ineligible under Section 4 of this Article, or if such person is or becomes subject to a disqualification under Section 5 [4] of this Article; and no broker, dealer or municipal securities broker or dealer shall be admitted to membership, and no member shall be continued in membership, if any person associated with it is ineligible to be an associated person under this subsection.

* New language is underscored; deleted language is bracketed.

(Remainder of Section 3 is unchanged.)

Sec. 4 If a person associated with a member or seeking to become associated with a member was an officer, director, general partner, limited principal — financial and operations, owner of ten (10) percent or more of the voting securities, or a controlling person (or a person performing similar functions) of a member that was the subject of proceedings under the Securities Investor Protection Act of 1970 ("SIPA") instituted during such person's association with the member or within six months after the termination of such person's association with the member, then such person shall be considered ineligible for registration in any capacity. Before such ineligible person may become or continue to be registered in any capacity, he shall make application for registration to the Board of Governors pursuant to Article VII of the NASD Code of Procedure; provided, however, that once such person's registration or continued registration with a member subsequent to the institution of SIPA proceedings has been approved in a particular capacity, no additional application or approval shall be required with respect to any future application for registration in the capacity approved.

(Renumber Section 4, Definition of Disqualification, as Section 5.)

NASDAQ NMS TRADE REPORTING RULE SUMMARY

When To Report

With the exception of transactions executed through the Computer Assisted Execution System (CAES) and odd lot transactions, all transactions in NASDAQ NMS securities should be reported within 90 seconds of execution. For a more detailed list of these exceptions, refer to Section XIV, Schedule D of the NASD By-Laws.

Who Reports

The following charts summarize who reports different types of transactions in NASDAQ NMS securities. In brief, the following rules apply:

- In transactions between two market makers, only the sell side reports.
- In transactions between a market maker and a non-market maker, only the market maker reports.
- In transactions between two non-market makers, only the sell side reports.
- In transactions between a member and a customer, the member reports.

Principal Transactions

<u>Member</u>	<u>Transaction</u>	<u>Member Reports When Contra-Party Is</u>		
		<u>Market Maker</u>	<u>Non-Market Maker</u>	<u>Customer</u>
Market Maker ^{1/}	buys from:	No	Yes	Yes
	sells to:	Yes	Yes	Yes
Non-Market Maker	buys from:	No	No	Yes
	sells to:	No	Yes	Yes

^{1/} Defined as a NASDAQ registered market maker in the security.

Agency Transactions

<u>Member</u>	<u>Transaction</u>	<u>Member Reports When Contra-Party Is</u>		
		<u>Market Maker</u>	<u>Non-Market Maker</u>	<u>Customer</u> ^{2/}
Market Maker	buys, as agent for customer, from:	No	Yes	Yes
	sells, as agent for customer, to:	Yes	Yes	Yes
Non-Market Maker	buys, as agent for customer, from:	No	No	Yes
	sells, as agent for customer, to:	No	Yes	Yes

Reporting Requirements for "Riskless" Transactions by Non-Market Makers

<u>Member</u>	<u>Transaction</u>	<u>Member Reports When Contra-Party Is</u>		
		<u>Market Maker</u>	<u>Non-Market Maker</u>	<u>Customer</u>
Non-Market Maker	buys from customer and sells to:	No	Yes	Yes
	sells to customer and buys from:	No	No	Yes

What Price To Report

- For agency transactions, the member should report the number of shares and the price excluding the commission charged.

^{2/} In the case of dual agency transactions where customers are on both sides, the member reports one transaction exclusive of commissions.

Example: Buy as agent 100 shares at 40 plus a commission of \$12.50.
Report 100 shares at 40

- For dual agency transactions, the member should report the number of shares only once, and report the price excluding the commission charged.

Example: Buy as agent 100 shares at 40 plus a commission of \$12.50.
Sell as agent 100 shares at 40 less a commission of \$12.50.
Report 100 shares at 40

- For principal transactions, except as provided below, the members should report each purchase and sale transaction separately and report the number of shares and the price. For principal transactions executed at a price which includes a mark-up, mark-down or service charge, the price reported shall exclude the mark-up, mark-down or service charge. The reported price should be reasonably related to the prevailing market, taking into consideration all relevant circumstances including, but not limited to, market conditions with respect to the security, the number of shares involved in the transaction, the published bids and offers with size at the time of the execution (including the reporting firm's own quotation), the cost of execution and the expenses involved in clearing the transaction.

Examples: Buy as principal 100 shares from another member at 40 (no mark-down included).
Report 100 shares at 40

Buy as principal 100 shares from a customer at 39 $\frac{7}{8}$, which includes a $\frac{1}{8}$ mark-down from the prevailing market of 40.
Report 100 shares at 40

Sell as principal 100 shares to a customer at 40 $\frac{1}{8}$, which includes a $\frac{1}{8}$ mark-up from the prevailing market of 40.
Report 100 shares at 40

Buy as principal 10,000 shares from a customer at 39 $\frac{3}{4}$, which includes a $\frac{1}{4}$ mark-down or service charge from the prevailing market of 40.
Report 10,000 shares at 40

- A "riskless" principal transaction in which a member that is not a market maker in the security after having received from a customer an order to buy, purchases the security as principal from another member or customer to satisfy the order to buy or, after having received from a customer an order to sell, sells the security as principal to another member or customer to satisfy the order to sell, shall be reported as one transaction in the same manner as an agency transaction, excluding the mark-up or mark-down.

Examples: Sell as principal 100 shares to another member at 40 to fill an existing order. Buy as principal 100 shares from a customer at 40 minus a mark-down of \$12.50.
Report one transaction of 100 shares at 40

Aggregating or "Bunching" Trade Reports

- For NASDAQ NMS securities only, aggregating or "bunching" transaction reports at the same price is permitted for certain simultaneous and non-simultaneous executions. Simultaneous executions are defined to include:
 - Pre-opening orders that are executed at market opening;
 - Orders received during quotation or trading halts and executed once trading begins again;
 - Limit orders that are executed when the limit price is reached; and,
 - A branch office relaying combined customer orders which are executed simultaneously by the trading department.

- For non-simultaneous executions, bunching is permitted if all of the following four conditions are met:
 - All orders to be bunched must be executed within 60 seconds of the initial execution and effected at the same price.
 - All executions must be reported within 90 seconds of the initial execution;
 - The transaction must not be initiated by the trader; and,
 - The individual transactions to be aggregated must involve orders of less than 5,000 shares each.

SCHEDULE D

ARTICLE ~~XVI~~ XIV**Reporting Transactions in NASDAQ National Market
System Designated Securities**

This Part has been adopted pursuant to Article XVI of the Corporation's By-Laws and applies to the reporting by all members of transactions in NASDAQ National Market System securities ("designated securities") through the Transaction Reporting System. These securities have been designated pursuant to the "National Market System Securities Designation Plan With Respect to NASDAQ Securities" ("Plan") which has been approved by the Securities and Exchange Commission pursuant to Rule 11Aa2-1.

Section 1 -- Definitions

(a) Terms used in this Part shall have the meaning as defined in the Association's By-Laws and Rules of Fair Practice, Rule 11Aa2-1 and the Plan, unless otherwise defined herein.

(b) "Transaction Reporting System" means the transaction reporting system for the reporting and dissemination of last sale reports in designated securities.

(c) "Registered Reporting Market Maker" means a member of the Association which is registered as a NASDAQ market maker in a particular designated security. A member is a Registered Reporting Market Maker in only those designated securities for which it is registered as a NASDAQ market maker. A member shall cease being a Registered Reporting Market Maker in a designated security when it has withdrawn or voluntarily terminated its quotations in that security or when its quotations have been suspended or terminated by action of the Corporation.

(d) "Non-Registered Reporting Member" means a member of the Association which is not a Registered Reporting Market Maker.

Section 2 -- Transaction Reporting(a) When and How Transaction Reported

(1) Registered Reporting Market Makers shall transmit through the Transaction Reporting System, within 90 seconds after execution, last sale reports of transactions in designated securities executed during the hours of the Transaction Reporting System. Transactions not reported within 90 seconds after execution shall be designated as late.

(2) Non-Registered Reporting Members shall transmit through the Transaction Reporting System, or if such system is unavailable, via Telex, TWX or telephone to the NASDAQ Department in New York City, within 90 seconds after execution, last sale reports of transactions in designated securities executed during the trading hours of the Transaction Reporting System unless all of the following criteria are met:

(A) The aggregate number of shares of designated securities which the member executed and is required to report during the trading day does not exceed 1,000 shares; and,

(B) The total dollar amount of shares of designated securities which the member executed and is required to report during the trading day does not exceed \$25,000; and,

(C) The member's transactions in designated securities have not exceeded the limits of (A) or (B) above on five or more of the previous ten trading days.

Transactions not reported within 90 seconds after execution shall be designated as late. If the member has reason to believe its transactions in a given day will exceed the above limits, it shall report all transactions in designated securities within 90 seconds after execution; in addition, if the member exceeds the above limits at any time during the trading day, it shall immediately report and designate as late any unreported transactions in designated securities executed earlier that day.

(3) Non-Registered Reporting Members shall report weekly to the NASDAQ Department in New York City, on a form designated by the Board of Governors, last sale reports of transactions in designated securities which are not required by Paragraph (2) to be reported within 90 seconds after execution.

(4) All members shall report weekly to the NASDAQ Department in New York City, on a form designated by the Board of Governors, last sale reports of transactions in designated securities executed outside the trading hours of the Transaction Reporting System.

(5) All trade tickets for transactions in designated securities shall be time-stamped at the time of execution.

(b) Which Party Reports Transaction

(1) In transactions between two Registered Reporting Market Makers, only the member representing the sell side shall report.

(2) In transactions between a Registered Reporting Market Maker and a Non-Registered Reporting Member, only the Registered Reporting Market Maker shall report.

(3) In transactions between two Non-Registered Reporting Members, only the member representing the sell side shall report.

(4) In transactions between a member and a customer, the member shall report.

(c) Information To Be Reported

Each last sale report shall contain the following information:

(1) NASDAQ symbol of the designated security;

- (2) Number of shares (odd lots shall not be reported);
- (3) Price of the transaction as required by Paragraph (d) below.

(d) Procedures For Reporting Price and Volume

Members which are required to report pursuant to Paragraph (b) above shall transmit last sale reports for all purchases and sales in designated securities in the following manner.

- (1) For agency transactions, report the number of shares and the price excluding the commission charged.

Example: SELL as agent 100 shares at 40
less a commission of \$12.50;
REPORT 100 shares at 40.

- (2) For dual agency transactions, report the number of shares only once, and report the price excluding the commission charged.

Example: SELL as agent 100 shares at 40
less a commission of \$12.50;
BUY as agent 100 shares at 40
plus a commission of \$12.50;
REPORT 100 shares at 40.

- (3) For principal transactions, except as provided below, report each purchase and sale transaction separately and report the number of shares and the price. For principal transactions which are executed at a price which includes a mark-up, mark-down or service charge, the price reported shall exclude the mark-up, mark-down or service charge. Such reported price shall be reasonably related to the prevailing market, taking into consideration all relevant circumstances including, but not limited to, market conditions with respect to the security, the number of shares involved in the transaction, the published bids and offers with size at the time of the execution (including the reporting firm's own quotation), the cost of execution and the expenses involved in clearing the transaction.

Example: BUY as principal 100 shares from
another member at 40 (no mark-down
included);
REPORT 100 shares at 40.

Example: BUY as principal 100 shares from a customer
at 39-7/8, which includes a 1/8 mark-down
from prevailing market of 40;
REPORT 100 shares at 40.

Example: SELL as principal 100 shares to a customer
at 40-1/8, which includes a 1/8 mark-up from
the prevailing market of 40;
REPORT 100 shares at 40.

Example: BUY as principal 10,000 shares from a customer at 39-3/4, which includes a 1/4 mark-down or service charge from the prevailing market of 40; REPORT 10,000 shares at 40.

Exception:

A "riskless" principal transaction in which a member that is not a market maker in the security after having received from a customer an order to buy, purchases the security as principal from another member or customer to satisfy the order to buy or, after having received from a customer an order to sell, sells the security as principal to another member or customer to satisfy the order to sell, shall be reported as one transaction in the same manner as an agency transaction, excluding the mark-up or mark-down.

Example: SELL as principal 100 shares to another member at 40 to fill an existing order;
BUY as principal 100 shares from a customer at 40 minus a mark-down of \$12.50;
REPORT 100 shares at 40.

(e) Transactions Not Required To Be Reported

The following types of transactions shall not be reported:

- (1) transactions executed through the Computer Assisted Execution System ("CAES");
- (2) odd-lot transactions;
- (3) transactions which are part of a primary distribution by an issuer or of a registered secondary distribution (other than "shelf distributions") or of an unregistered secondary distribution;
- (4) transactions made in reliance on Section 4(2) of the Securities Act of 1933;
- (5) transactions where the buyer and seller have agreed to trade at a price substantially unrelated to the current market for the security, e.g., to enable the seller to make a gift;
- (6) purchases or sales of securities effected upon the exercise of an option pursuant to the terms thereof or the exercise of any other right to acquire securities at a pre-established consideration unrelated to the current market.

(f) Aggregation of Transaction Reports

- (1) Under the following conditions, individual executions of orders in a security at the same price may be aggregated, for transaction reporting purposes, into a single transaction report.

(A) Orders received prior to the opening of the reporting member's market in the security and simultaneously executed at the opening. Also, orders received during a trading or quotation halt in the security and executed simultaneously when trading or quotations resume. In no event shall a member delay its opening or resumption of quotations for the purpose of aggregating transactions.

Example: A firm receives, prior to its market opening, several market orders to sell which total 10,000 shares. All such orders are simultaneously executed at the opening at a reported price of 40. REPORT 10,000 shares at 40.

(B) Simultaneous executions by the member of customer transactions at the same price, e.g., a number of limit orders being executed at the same time when a limit price has been reached.

Example: A firm has several customer limit orders to sell which total 10,000 shares at a limit price of 40. That price is reached and all such orders are executed simultaneously. REPORT 10,000 shares at 40.

(C) Orders relayed to the trading department of the reporting member for simultaneous execution at the same price.

Example: A firm purchases a block of 50,000 shares from an institution at a reported price of 40. REPORT 50,000 at 40.

Subsequently, one of the firm's branch offices transmits to the firm's trading department for execution customer buy orders in the security totaling 12,500 shares at a reported price of 40. REPORT 12,500 at 40.

Subsequently, another branch office transmits to the firm's trading department for execution customer buy orders totaling 15,000 shares in the security at a reported price of 40. REPORT 15,000 at 40.

Example: Due to a major change in market conditions, a firm's trading department receives from a branch office for execution customer market orders to sell totaling 10,000 shares. All are executed at a reported price of 40. REPORT 10,000 at 40.

(D) An influx of orders received by the trading department of the reporting member which are impractical to report individually and are executed at the same price within 60 seconds of execution of the initial transaction; provided, however, that no individual order of 5,000 shares or more may be aggregated in a transaction report and that the aggregated transaction report shall be made within 90 seconds of the initial execution reported therein. Furthermore, it is not permissible for a member to withhold reporting a trade in anticipation of aggregating the transaction with other transactions.

Examples: A reporting member receives and execute the following orders at the following times and desires to aggregate reports to the maximum extent permitted under this rule.

First Example

11:01:00	500 shares at 40
11:01:05	500 shares at 40
11:01:10	4,000 shares at 40
11:01:15	500 shares at 40

REPORT: 5,500 shares at 40 within 90 seconds of 11:01.

Second Example

11:01:00	100 shares at 40
11:01:10	6,000 shares at 40
11:01:30	300 shares at 40

REPORT: 400 shares within 90 seconds of 11:01 and 6,000 shares within 90 seconds of 11:01:10 (individual transactions of 5,000 shares or more must be reported separately).

Third Example

11:01:00	100 shares at 40
11:01:15	500 shares at 40
11:01:30	200 shares at 40
11:02:30	400 shares at 40

REPORT: 800 shares at 40 within 90 seconds of 11:01 and 400 shares at 40 within 90 seconds of 11:02:30 (the last trade is not within 60 seconds of the first and must, therefore, be reported separately).

(2) The reporting member shall identify aggregated transaction reports and order tickets of aggregated trades in a manner directed by the Corporation.

NASD

National Association of Securities Dealers, Inc.
1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 86-88

December 19, 1986

TO: All NASD Members and Other Interested Persons

ATTN: REGISTRATION, TRAINING AND COMPLIANCE PERSONNEL AND
BRANCH OFFICE MANAGERS

RE: Effect of the Tax Reform Act of 1986 on NASD Qualifications
Examinations

The recently enacted Tax Reform Act of 1986 (the "Act") will impact the subject matter of the qualification examinations administered by the NASD. Existing test items affected by these changes will be modified to reflect the new provisions of the Act on January 1, 1987. New questions on relevant areas of the Act will also be added to the appropriate examinations on January 1, 1987.

The attached chart lists the major substantive areas affected by the Act and identifies the specific examinations and related study outline sections impacted by these changes. Members are advised to ensure that training materials are updated to reflect the new tax law provisions for all representatives and principals who intend to sit for qualification examinations in 1987.

Questions regarding this notice should be directed to Carole Hartzog, NASD Qualifications Department, at (301) 738-6696.

Sincerely,



Frank J. McAuliffe
Vice President
Qualifications Department

TAX REFORM ACT OF 1986
Effect on NASD Qualification Examinations
(Study Outline Sections)

Substantive Areas Affected by the Act	Test Series *									
	2	4	6	7	8	22	24	26	39	52
<u>INDIVIDUAL TAXATION</u>										
New Tax Rates	5.9	--	1.4	2.13	--	3.3	--	--	--	--
Alternative Minimum Tax	--	--	--	4.1.7	--	3.3	--	--	1.4	--
<u>RETIREMENT PLANS</u>										
Individual Retirement Account (IRAs)	5.7	2.1	3.3	12.4	2.3.2	--	3.1	2.3	--	--
Cash or Deferred Arrangements (401(k) Plans)	5.7	--	3.3	12.4	2.3	--	3.1	2.3	--	--
Employee Stock Ownership Plans (ESOPs)	5.7	--	3.3	12.4	2.3	--	3.1	2.3	--	--
<u>BUSINESS TAXATION</u>										
Accelerated Cost Recovery System	--	--	--	4.1.7	--	3.2	--	--	--	--
Investment Tax Credit	--	--	--	4.1.7	--	3.2	--	--	--	--
Research & Development Credit	--	--	--	--	--	3.3	--	--	--	--
<u>TAXATION OF INVESTMENTS & TAX SHELTERS</u>										
Municipal Securities	5.12	--	1.1.3	4.5	--	--	--	--	--	page 14
After-Tax Yields	5.12	--	1.1.3	5.2	--	--	--	--	--	page 4
Interest Income	2.2	1.6	2.1	4.1.7	--	3.3	--	--	1.4	page 4
Capital Gains	--	--	--	5.2.2	--	--	--	--	--	page 14
Dividend Exclusion	--	--	2.1	5.2.1	--	--	--	--	--	--
Passive Loss Limitation	--	--	--	4.1.7	--	3.3	--	--	--	--
Low Income Housing Credit	--	--	--	4.1.7	--	3.2	--	--	--	--
At-Risk Rules for Real Estate	--	--	--	4.1.7	--	3.3	--	--	1.4	--
Construction Period Interest	--	--	--	4.1.7	--	3.2	--	--	--	--
First Year Expensing	--	--	--	4.1.7	--	3.2	--	--	--	--
Depreciation Recapture	--	--	--	4.1.7	--	3.2	--	--	--	--
Rehabilitation Tax Credit	--	--	--	4.1.7	--	3.2	--	--	--	--

Symbol	Company	Location
FFPR	First Federal Savings Bank	San Juan, Puerto Rico
FFBT	First Federal Savings Bank & Trust	Pontiac, MI
GGLF	Georgia Gulf Corporation	Atlanta, GA
KENT	Kent International, Inc.	Kearney, NJ
LAWR	Lawrence Insurance Group, Inc.	New York, NY
MBSX	MBS Textbook Exchange	Columbia, MO
MTCH	MTech Corp.	Irving, TX
MMSB	Mid Maine Mutual Savings Bank, F.S.B.	Auburn, ME
MFSL	Midland Financial Savings & Loan Association	Des Moines, IA
QUIK	Quiksilver, Inc.	Newport Beach, CA
REED	Reed Jewelers, Inc.	Wilmington, NC
SGSI	SAGE Software, Inc.	Rockville, MD
WBST	Webster Financial Corp.	Waterbury, CT
WASC	Western Auto Supply Company	Kansas City, MO

NASDAQ/NMS Interim Additions

Symbol*	Security	Date of Entry
NAHAK	North American Holding Corp. (CI A Non-voting)	11/24/86
EDGC	Edgcomb Corporation	11/25/86
PCSI	PCS, Inc.	11/25/86
WSFS	Wilmington Savings Fund Society Federal Savings Bank	11/26/86
EBCO	Ehrlich Bober Financial Corporation	12/02/86
PHBK	Peoples Heritage Savings Bank	12/04/86
LPLI	LPL Investment Group, Inc.	12/05/86
UNMAA	Uni-Marts, Inc. (CI A)	12/05/86

Special Note: Grove Hall Savings Bank (GROV) and The People's Savings Bank of New Britain (PBNB) did not enter NASDAQ/NMS on December 2, 1986, as previously announced. The firms' entrances into NASDAQ/NMS have been re-scheduled for January 6, 1987.

The following changes to the list of NASDAQ/NMS securities occurred since November 21, 1986:

NASDAQ/NMS Symbol* And/Or Name Changes

New/Old Symbol*	New/Old Security	Date of Change
NOVXW/NOVXW	Nova Pharmaceutical Corporation (CI A 02/05/88 Wts)/Nova Pharmaceutical Corporation (CI A 02/05/87 Wts)	11/26/86
ECON/ECON	Ecolab, Inc./Economics Laboratory, Inc.	12/01/86

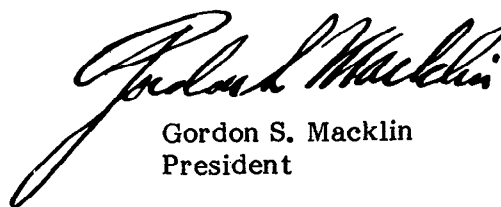
New/Old Symbol*	New/Old Security	Date of Change
MASB/MASB	MASSBANK Corporation/MASSBANK for Savings	12/02/86
SCIE/SCIE	Scicom Data Services, Ltd./Scientific Computers, Inc.	12/05/86
ISBJ/ISBJ	Interchange Financial Services Corporation/Interchange State Bank	12/08/86

NASDAQ/NMS Deletions

Symbol*	Security	Date
AMSR	American Medical Services, Inc.	11/21/86
NHCC	National Health Corporation	11/21/86
STFL	Stifel Financial Corporation	11/24/86
JNAL	Jackson National Life Insurance Company	11/26/86
CBNJ	Commercial Bancshares, Inc.	12/01/86
PTCCW	Polycast Technology Corporation (Wts)	12/01/86
INTS	Intelligent Systems Corporation	12/02/86
RBOK	Reebok International Ltd.	12/03/86
FRR1	Franklin Resources, Inc.	12/05/86
PRCLS	Property Investors of Colorado	12/05/86

Any 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, Market Surveillance, at (202) 728-8192.

Sincerely,



Gordon S. Macklin
President



National Association of Securities Dealers, Inc.
 1735 K St., N.W. • Washington, D.C. 20006 • (202) 728-8000

notice to members 86-87

December 16, 1986

TO: All NASD Members and Municipal Securities Bank Dealers
 ATTN: All Operations Personnel
 RE: Christmas Day - New Year's Day: Trade Date-Settlement Date Schedule

Securities markets and the NASDAQ System will be closed on Thursday, December 25, 1986, Christmas Day, and Thursday, January 1, 1987, 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 Schedule
For "Regular-Way" Transactions

<u>Trade Date</u>		<u>Settlement Date</u>		<u>Regulation T Date*</u>	
December	17, 1986	December	24, 1986	December	29, 1986
	18		26		30
	19		29		31
	22		30	January	2, 1987
	23		31		5
	24	January	2, 1987		6
	25	MARKETS CLOSED			—
	26		5		7
	29		6		8
	30		7		9
	31		8		12
January	1, 1987	MARKETS CLOSED			—
	2		9		13

* 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 Sections 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 "Regulation T Date."

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's 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 (201) 839-6256.