

Information Memo

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

Member Firm Regulation



Number 05-20
March 17, 2005

ATTENTION: COMPLIANCE, LEGAL, REGISTRATION AND TRAINING DEPARTMENTS

TO: ALL MEMBERS AND MEMBER ORGANIZATIONS

SUBJECT: REMINDER -- AMENDMENTS TO RULE 345A RESCINDING ALL EXEMPTIONS FROM PARTICIPATION IN CONTINUING EDUCATION REGULATORY ELEMENT PROGRAMS BECOME EFFECTIVE ON APRIL 4, 2005

As previously reported in Information Memo No. 04-55, dated October 29, 2004, the Securities and Exchange Commission has approved amendments to Exchange Rule 345A that rescind all exemptions from required participation in the continuing education Regulatory Element programs. These amendments will become effective on April 4, 2005.

All registered persons affected by the amendments to Rule 345A should now be aware that their exemptions have been rescinded. In addition to Information Memo No. 04-55, the Exchange, at the end of January 2005, sent letters listing all previously exempted registered persons who must now complete the Regulatory Element requirement to the member firms of those individuals. Member firms that did not acknowledge receipt of the Exchange's letters were subsequently contacted.

Re-entry into the Regulatory Element program will occur over a three-year period using each registered person's "base date." In most cases, the base date is the person's initial securities registration. However, the base date may be revised to the effective date of a significant disciplinary action, the date on which a formerly registered person re-qualifies for association with an SRO by qualification exam, or the date the registered person re-entered the industry via an exam waiver.

The Exchange, in conjunction with the Securities Industry Council on Continuing Education, develops three Regulatory Element programs, the S201 Program for registered supervisors/principals, the S106 Program for Series 6 representatives, and the S101 Program for Series 7 and all other registration categories. These programs are continuously updated, and will include an ethics module beginning in April 2005.

The Regulatory Element programs are administered at conveniently located test centers operated by Pearson VUE and Prometric. Appointments to take the session can be scheduled through either network:

Pearson Professional Centers: Contact Pearson VUE's National Registration Center at (866) 396-6273 (toll-free) or (952) 681-3873 (toll number), or go to www.pearsonvue.com/nasd for Web-based scheduling.

Prometric Testing Centers: Contact Prometric's National Call Center at (800) 578-6273 (toll-free) or go to www.prometric.com/nasd for Web-based scheduling.

For more information about the Council's Continuing Education Program, and to review frequently asked questions regarding the elimination of grandfather exemptions, see the Council's Web site at www.securitiescep.com.

Questions regarding this memo may be directed to your Finance Coordinator, or to Stephen A. Kasprzak at (212) 656-5226.

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