

# 2007 Broker/Dealer Compliance Calendar

## January 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 ▪ <b>New Year's Day Observed</b>	2 ▪ <a href="#">Final Renewal Statement Availability</a>	3	4	5 ▪ <a href="#">Alternative Periodic Reporting for Muni. Fund Securities</a>	6
7	8	9	10	11	12	13
14	15 ▪ <b>Martin Luther King, Jr. Day</b>	16 ▪ <a href="#">Rule 3070-Customer Complaint Filings</a> ▪ <a href="#">Electronic Mail Contacts (MSRB)</a>	17 ▪ <a href="#">Short Interest Reporting</a>	18	19	20
21	22	23	24	25	26 ▪ <a href="#">Quarterly FOCUS Part II/IIA Filings</a> ▪ <a href="#">Annual Schedule I</a> ▪ <a href="#">Quarterly NCS</a>	27
28	29	30	31 ▪ <a href="#">MSRB Rule G-37 Reporting</a> ▪ <a href="#">Disclosure of Routing Practices</a>			

# 2007 Broker/Dealer Compliance Calendar

February 2007						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1 ▪ Groundhog Day	2 ▪ <a href="#">Final Renewal Statement Due</a>	3
4	5	6	7 ▪ <a href="#">Regulation NMS Trading Phase Date</a>	8	9	10
11	12 ▪ Lincoln's Birthday ▪ <a href="#">Options Position Reports and Aggregation of Certain Positions Rule 2860</a>	13	14 ▪ Valentine's Day ▪ <a href="#">Electronic Reporting of "Limited Size and Resources" Exception</a>	15	16	17
18 ▪ Chinese New Year	19 ▪ <b>President's Day</b> ▪ Washington's Birthday	20 ▪ <a href="#">Short Interest Reporting</a>	21 ▪ Ash Wednesday	22 ▪ <a href="#">Small Firm Conference Series (Los Angeles, CA)</a>	23	24
25	26 ▪ <a href="#">Monthly and Fifth FOCUS Filings</a>	27	28			

# 2007 Broker/Dealer Compliance Calendar

March 2007						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1 <ul style="list-style-type: none"> <li>▪ <a href="#">Annual Audit Filing</a></li> <li>▪ <a href="#">New Rule for Submitting and Reporting for Reg. T &amp; Extension of Time Requests</a></li> </ul>	2	3
4	5	6	7	8	9	10
11	12	13	14 <ul style="list-style-type: none"> <li>▪ <a href="#">NASD Small Firm Conference (New York, NY)</a></li> </ul>	15	16	17
18	19 <ul style="list-style-type: none"> <li>▪ <a href="#">Short Interest Reporting</a></li> </ul>	20	21 <ul style="list-style-type: none"> <li>▪ First Day of Spring</li> </ul>	22	23 <ul style="list-style-type: none"> <li>▪ <a href="#">Monthly and Fifth FOCUS Filings</a></li> </ul>	24
25	26	27	28	29 <ul style="list-style-type: none"> <li>▪ <a href="#">NASD Annual Fixed Income Conference (New York, NY)</a></li> </ul>	30 <ul style="list-style-type: none"> <li>▪ <a href="#">NASD Operations Conference (New York, NY)</a></li> </ul>	31

# 2007 Broker/Dealer Compliance Calendar

April 2007						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1 ▪ Daylight Saving Time begins ▪ <a href="#">Disclosure of Fees &amp; Expenses in MF Performance Data</a>	2 ▪ Passover begins at sundown ▪ <a href="#">Annual Audit Filing</a> ▪ <a href="#">Supervisory Controls and Annual Cert.</a>	3	4	5 ▪ <a href="#">Alternative Periodic Reporting (MSRB)</a>	6 ▪ <b>Good Friday</b>	7
8 ▪ Orthodox Easter Sunday	9	10	11	12	13 ▪ <a href="#">NASD Compliance Tech Conference (New York, NY)</a>	14
15 ▪ Easter Sunday	16 ▪ Easter Monday ▪ Tax Day ▪ <a href="#">Rule 3070- Customer Complaint Filings</a> ▪ <a href="#">Electronic Mail Contacts (MSRB)</a>	17 ▪ <a href="#">Short Interest Reporting</a>	18	19	20	21
22	23	24 ▪ <a href="#">AML Independent Test</a>	25 ▪ <a href="#">Quarterly FOCUS Part II/IIA</a> ▪ <a href="#">Quarterly NCS Reporting</a>	26	27	28
29	30 ▪ <a href="#">G-37 Reporting</a> ▪ <a href="#">Order Routing Disc.</a> ▪ <a href="#">Annual Audit Filing</a> ▪ <a href="#">NASD Institute-Phase I</a> ●					

# 2007 Broker/Dealer Compliance Calendar

May 2007						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2 ▪ <a href="#">Books and Records Deadline (Distribution of Acct. Record Data)</a>	3	4 ▪ <a href="#">NASD Institute at Wharton- Phase I: Fundamentals (San Francisco, CA)</a>	5 ▪ Cinco de Mayo
6	7	8	9	10	11	12
13 ▪ Mother's Day	14	15	16	17 ▪ <a href="#">Short Interest Reporting</a>	18	19
20	21	22 ▪ <a href="#">NASD Spring Securities Conference (Chicago, IL)</a>	23 ▪ <a href="#">Monthly and Fifth FOCUS Filings</a>	24	25	26
27	28 ▪ <b>Memorial Day</b>	29	30 ▪ <a href="#">Annual Audit Filing</a>	31 ▪ <a href="#">Statement Reminding Customers to Report Inadequacies</a>		

# 2007 Broker/Dealer Compliance Calendar

## June 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4	5	6	7	8	9
10	11 ▪ <a href="#">Revised OATS Reporting Technical Specifications</a>	12	13	14 ▪ Flag Day	15	16
17 ▪ Father's Day	18	19 ▪ <a href="#">Short Interest Reporting</a>	20	21 ▪ First day of Summer	22	23
24	25 ▪ <a href="#">Monthly and Fifth FOCUS Filings</a>	26	27	28	29 ▪ <a href="#">Annual Audit Filing</a>	30

# 2007 Broker/Dealer Compliance Calendar

## July 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4 ▪ Independence Day	5 ▪ <a href="#">Alternative Periodic Reporting (MSRB)</a>	6	7 ▪ <a href="#">Effective Date: Amendment to IM 2210-4</a>
8	9	10	11	12	13	14
15	16 ▪ <a href="#">Rule 3070- Customer Complaint Filings</a> ▪ <a href="#">Electronic Mail Contacts (MSRB)</a>	17 ▪ <a href="#">Short Interest Reporting</a>	18	19	20	21
22	23	24	25 ▪ <a href="#">Quarterly FOCUS I/IIA Filings</a> ▪ <a href="#">Quarterly NCS</a>	26	27	28
29	30 ▪ <a href="#">Annual Audit Filing</a>	31 ▪ <a href="#">NASD Rule 3230(c)(3) Notifications</a> ▪ <a href="#">G-37 Reporting</a> ▪ <a href="#">Order Routing Disclosures</a>	▪ <a href="#">NASD Small Firm Conference (Boston, MA) Date: TBA</a> ▪ <a href="#">NASD Branch Office Compliance Conference (Minneapolis, MN) Date: TBA</a>			

# 2007 Broker/Dealer Compliance Calendar

## August 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6 ▪ <a href="#">NASD Institute at Wharton- Phase I: Fundamentals (Philadelphia, PA)</a>	7	8	9	10	11
12	13	14	15	16	17 ▪ <a href="#">Short Interest Reporting</a>	18
19	20	21	22	23 ▪ <a href="#">Monthly and Fifth FOCUS Filings</a>	24	25
26	27	28	29 ▪ <a href="#">Annual Audit Filing</a>	30	31	

# 2007 Broker/Dealer Compliance Calendar

## September 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3 ▪ <b>Labor Day</b>	4	5	6	7	8
9	10	11	12	13 ▪ Rosh Hashanah begins at sundown	14	15
16	17	18 ▪ <a href="#">Short Interest Reporting</a>	19	20	21	22 ▪ Yom Kippur begins at sundown
23 ▪ First day of Autumn	24 ▪ <a href="#">NASD Small Firm Conference (Chicago, IL)</a>	25	26 ▪ <a href="#">Monthly and Fifth FOCUS Filings</a>	27	28	29
30						

# 2007 Broker/Dealer Compliance Calendar

## October 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 ▪ <a href="#">Annual Audit Filing</a>	2	3	4	5 ▪ <a href="#">Alternative Periodic Reporting for Muni. Fund Securities</a>	6
7	8 ▪ Columbus Day	9	10 ▪ <a href="#">NASD Fall Securities Conference (Scottsdale, AZ)</a>	11	12	13
14	15 ▪ <a href="#">Rule 3070- Customer Complaint Filings</a> ▪ <a href="#">Electronic Mail Contacts (MSRB)</a>	16	17 ▪ <a href="#">Short Interest Reporting</a>	18	19	20
21	22	23 ▪ <a href="#">Quarterly FOCUS Part II/IIA Filings</a> ▪ <a href="#">Quarterly NCS Reporting</a>	24	25	26	27
28	29	30 ▪ <a href="#">Annual Audit Filing</a>	31 ▪ Halloween ▪ <a href="#">MSRB Rule A-14</a> ▪ <a href="#">MSRB Rule G-37 Reporting</a> ▪ <a href="#">Order Routing Disclosure</a>			

# 2007 Broker/Dealer Compliance Calendar

## November 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3 ▪ Daylight Saving Time ends
4	5 ▪ <a href="#">NASD Institute at Wharton- Phase III: Capstone (Philadelphia, PA)</a>	6	7	8	9	10
11 ▪ Veteran's Day	12	13	14	15	16	17
18	19 ▪ <a href="#">Short Interest Reporting</a>	20	21	22 ▪ Thanksgiving Day	23	24
25	26 ▪ <a href="#">Monthly and Fifth FOCUS Filings</a>	27	28	29 ▪ <a href="#">Annual Audit Filing</a>	30	

# 2007 Broker/Dealer Compliance Calendar

## December 2007

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5 ▪ Hanukkah begins at sundown	6	7 ▪ <a href="#">Preliminary Renewal Statement Due</a>	8
9	10	11	12	13	14	15
16	17	18 ▪ <a href="#">Short Interest Reporting</a>	19	20	21	22 ▪ First day of Winter
23	24	25 ▪ <b>Christmas Day</b>	26 ▪ Kwanzaa begins ▪ <a href="#">Monthly and Fifth FOCUS Filings</a>	27	28	29
30	31 ▪ <a href="#">Annual Audit Filing</a>					

# 2007 Broker/Dealer Compliance Calendar

## Rule Reference

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Jan. 2<sup>nd</sup>

**Final Renewal Statement Availability**

Final Renewal Statements will be available online in Web CRD. If you have a renewal overpayment, it will be automatically transferred to your daily account in conjunction with year-end renewal processing. Refund requests are made from this account.

Jan. 5<sup>th</sup>

**Alternative Periodic Reporting for Transactions in Municipal Fund Securities (MSRB Rule G-15)**

Notwithstanding any other provision of section (a) of the Rule, a broker, dealer or municipal securities dealer may effect transactions in municipal fund securities with customers without giving or sending to such customer the written confirmation required by paragraph (i) of this section (a) at or before completion of each such transaction if: (A) such transactions are effected pursuant to a periodic municipal fund security plan or a non-periodic municipal fund security program; and (B) such broker, dealer or municipal securities dealer gives or sends to such customer within five business days after the end of each quarterly period, in the case of a customer participating in a periodic municipal fund security plan, or each monthly period, in the case of a customer participating in a non-periodic municipal fund security program, a written statement disclosing, for each purchase, sale or redemption effected for or with, and each payment of investment earnings credited to or reinvested for, the account of such customer during the reporting period, the information required to be disclosed to customers pursuant to subparagraphs (A) through (D) of paragraph (i) of this section (a), with the information regarding each transaction clearly segregated.

Jan. 16<sup>th</sup>

**NASD Rule 3070/Customer Complaint Filing Due Dates (Q4 2006)**

In accordance with NASD Rule 3070(c), each member shall report to NASD statistical and summary information regarding customer complaints in such detail as NASD shall specify by the 15th day of the month following the calendar quarter in which customer complaints are received by the member. For the purposes of this paragraph, "customer" includes any person other than a broker or dealer with whom the member has engaged, or has sought to engage, in securities activities, and "complaint" includes any written grievance by a customer involving the member or person associated with a member.

Jan. 16<sup>th</sup>

**Electronic Mail Contacts (MSRB G-40)**

Each broker, dealer or municipal securities dealer shall maintain an Internet electronic mail account to permit communication with the MSRB, and shall appoint a Primary Electronic Mail Contact to serve as the official contact person for purposes of electronic mail communication between the broker, dealer or municipal securities dealer and the MSRB. Each Primary Electronic Mail Contact shall be a registered municipal securities principal (Series 53 or Series 51) of the broker, dealer or municipal securities dealer. Additionally, each broker, dealer or municipal securities dealer must review and, if necessary, update information on its Primary Electronic Mail Contacts and submit such information electronically to the MSRB within 17 business days after the end of each calendar quarter.

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- Jan. 17<sup>th</sup>**     **Short Interest Reporting Deadline (Settlement Date of 01/12/07)**  
*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*  
NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.
- Jan. 26<sup>th</sup>**     **Quarterly FOCUS Part II/IIA Filings (Quarter ending 12/31/06)**  
In accordance with SEC Rule 17a-5(a)(2)(iii), each broker/dealer registered pursuant to section 15 of the Act who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.
- Jan. 26<sup>th</sup>**     **Annual Schedule I Filing for 2006 Year End**  
SEC Rule 17a-10 requires broker-dealers to file Schedule I with their FOCUS Reports within 17 business days after calendar year-end. All reports are due by midnight, Eastern Standard Time (EST). A report is considered filed when received. If the due date of an annual audit falls on a weekend or business holiday, the audit will be accepted up to the next business day following the weekend or holiday.
- Jan. 26<sup>th</sup>**     **Quarterly NCS Reporting**  
NASD broker/dealers must appoint and certify to NASD one executive representative to represent, vote, and act on behalf of the broker/dealer in all affairs of NASD. The executive representative must be a member of senior management and a registered principal of the firm. In addition, the executive representative is required to maintain an Internet electronic e-mail account for communication with NASD and must update firm contact information. Firms must conduct a review and update its executive representative information through the NCS System on a quarterly basis within 17 business days after each calendar quarter.
- Jan. 31<sup>st</sup>**     **MSRB Rule G-37 Reporting Requirement**  
Each broker, dealer or municipal securities dealer shall, by the last day of the month following the end of each calendar quarter send to the MSRB Form G-37 setting forth, in the prescribed format, the following information: (A) for contributions to officials of issuers (other than a contribution made by a municipal finance professional or a non-MFP executive officer to an official of an issuer for whom such person is entitled to vote if all contributions by such person to such official of an issuer, in total, do not exceed \$250 per election) and payments to political parties of states and political subdivisions (other than a payment made by a municipal finance professional or a non-MFP executive officer to a political party of a state or a political subdivision in which such person is entitled to vote if all payments by such person to such political party, in total, do not exceed \$250 per year): (1) the name and title (including any city/county/state or political subdivision) of each official of an issuer and political party receiving contributions or payments during such calendar quarter, listed by state; (2) the contribution or payment amount made and the

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contributor category of each person and/or entity making such contributions or payments during such calendar quarter.(B) a list of issuers with which the broker, dealer or municipal securities dealer has engaged in municipal securities business during such calendar quarter, listed by state, along with the type of municipal securities business;(C) any information required to be included on Form G-37 for such calendar quarter pursuant to paragraph (e)(iii) of the Rule;(D) such other identifying information required by Form G-37; and (E) whether any contribution listed in this paragraph (e)(i) is the subject of an automatic exemption pursuant to section (j) of this rule, and the date of such automatic exemption.

**Jan. 31<sup>st</sup>**

### **Disclosure of Order Routing Practices (SEC Rule 606—Formally Rule 11Ac1-6) (Q4 2006)**

*SEC Rule 606* requires broker/dealers that route orders on behalf of customers to prepare quarterly reports that disclose the identity of the venues to which it routed orders for execution. The reports also will disclose the nature of the broker-dealer's relationship with those venues, including the existence of any internalization or payment for order flow arrangements. Additionally, *Rule 606* requires broker/dealers to make publicly available for each calendar quarter a report on its routing of non-directed orders in covered securities. The term "make publicly available" requires the Firm to complete three steps -- post on a free Internet web site, furnish a written copy on request, and notify customers at least annually that a written copy will be furnished on request. Each quarterly report shall be made publicly available within one month after the end of the quarter addressed in the report.

**Feb. 2<sup>nd</sup>**

### **Final Renewal Statement- Amount Due**

Final Renewal Statements reflect year-end registration approvals for NASD broker/dealers. The payment for registrations which exceeded the preliminary payment amount requires additional fees paid in full to NASD by February 2, 2007. Firms may submit an online Renewal payment by accessing the Web CRD/IARD E-Pay Application. In order for funds to be posted to your firm's Renewal Account by February 2, 2007, payment must be submitted electronically, no later than 8:30 p.m. (ET), February 2, 2007.

**Feb. 7<sup>th</sup>**

### **Alignment of NASD Rules with Regulation NMS; Regulation NMS Trading Phase Date**

On September 28, 2006, the SEC approved amendments to NASD Rules, including the rules governing the Alternative Display Facility (ADF), in order to align them with Regulation NMS. In addition, the SEC approved amendments to rules governing quoting, trade reporting, and clearing applicable to the ADF and extended this functionality to all NMS stocks, including stocks listed on the NYSE, Amex, and certain other exchanges. Furthermore, the amendments reorganize ADF trade reporting rules and make changes to ADF rules to enhance their clarity. The SEC also approved changes to the ADF Trading Center Certification Record, which became effective upon SEC approval on September 28, 2006. The amendments to NASD Rules become effective on the Regulation NMS Trading Phase Date, currently scheduled to occur on February 7, 2007.

**Feb. 12<sup>th</sup>**

### **Amendments to Rule 2860; Large Options Position Reports and Aggregation of Certain Positions**

On November 15, 2006, the Securities and Exchange Commission (SEC) approved a rule change to Rule 2860 that: (1) amends the definition of "underlying index" to include all indexes underlying standardized index options and other indexes that meet certain specified criteria; (2) amends the reporting requirement for certain conventional index options; and (3) allows members to

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calculate the position limits, in accordance with volume and float criteria specified by NASD, for conventional equity options overlying securities that are part of a designated index (currently the FTSE All-World Index Series).

- Feb. 14<sup>th</sup>**      **Electronic Reporting of "Limited Size and Resources" Exception**  
On November 18, 2005, the SEC approved amendments to NASD Rule 3012 to require broker/dealer member firms relying on the "limited size and resources" exception to Rule 3012's general supervisory requirement for conducting producing managers' supervisory reviews to report electronically to NASD their reliance on the exception. NASD has introduced the electronic reporting system that broker/dealer member firms will need to use to notify NASD of their reliance on Rule 3012's "limited size and resources" exception. The new rule text is effective on February 14, 2006.
- Feb. 20<sup>th</sup>**      **Short Interest Reporting Deadline (Settlement Date of 02/15/07)**  
*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*  
NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.
- Feb. 26<sup>th</sup>**      **Monthly and Fifth\* FOCUS II/IIA Filings (Month ending 01/31/07)**  
In accordance with SEC Rule 17a-5(a)(2)(ii)-(iii), each broker/dealer registered pursuant to section 15 of the Act who clears transactions or carries customer accounts shall file Part II of Form X-17A-5 within 17 business days after the end of the calendar quarter; or every broker or dealer who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.
- Mar. 1<sup>st</sup>**        **Annual Audit Filing Due Date (Period Ending 12/31/06)**  
SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. (Note: *Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date*).
- Mar. 1<sup>st</sup>**        **Submission and Reporting Requirements for Regulation T; Extension of Time Requests**  
On September 15, 2006, the Securities and Exchange Commission (SEC) approved new NASD Rule 3160 that requires: (1) all clearing firm members for which NASD is the designated examining authority (DEA) pursuant to Rule 17d-1 under the Securities Exchange Act of 1934 (Exchange Act) to submit to NASD requests for extensions of time under Regulation T promulgated by the Federal Reserve Board (FRB) or pursuant to Rule 15c3-3(n) under the Exchange Act; and (2) each clearing firm member for which NASD is the DEA to file a monthly report with NASD indicating all broker-dealers for which it clears that have overall ratios

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of requested extensions of time to total transactions for the month that exceed 2%. In addition, this Notice serves to remind members that extensions of time under Regulation T and SEC Rule 15c3-3 may only be requested in exceptional circumstances.

**Mar. 19<sup>th</sup>**

## **Short Interest Reporting Deadline (Settlement Date of 03/15/07)**

*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

**Mar. 23<sup>rd</sup>**

## **Monthly and Fifth\* FOCUS II/IIA Filings (Month ending 02/28/07)**

In accordance with SEC Rule 17a-5(a)(2)(ii)-(iii), each broker/dealer registered pursuant to section 15 of the Act who clears transactions or carries customer accounts shall file Part II of Form X-17A-5 within 17 business days after the end of the calendar quarter; or every broker or dealer who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.

**Apr. 1<sup>st</sup>**

## **Supervisory Controls and Annual Certification**

NASD Rule 3012 and Rule 3013 require members to submit the initial annual report required by Rule 3012 (Supervisory Control System) and to execute the initial annual certification required by Rule 3013 and IM-3013 (Annual Certification of Compliance and Supervisory Processes) by no later than April 1, 2006. As a result, members will be able, if they so choose, to combine the Rule 3012 report with the report required by IM-3013. Members should be aware, however, that due to Rule 3012's January 31, 2005 effective date, any member choosing to rely on any date after January 31, 2005 through April 1, 2006 as the submission deadline for its initial Rule 3012 report will have to encompass the period from January 31, 2005 up to that submission date (or a reasonable period of time immediately preceding the submission date). Members should also be aware that the report required by IM-3013 that evidences the member's processes must be prepared and submitted to the member's board of directors and audit committee in advance of, but reasonably close in time to, the certification. The certification may be executed anytime up until April 1, 2006 and annually thereafter by the same date the member chooses for its initial certification. *\*Note: If your firm has previously notified NASD of its reliance on Rule 3012's "limited size and resources" exception and intends to continue to rely upon the exception, you must provide an annual notification of continued reliance. Please note that each ensuing annual notification must be effected no later than on the one-year anniversary date of the previous year's notification.*

**Apr. 1<sup>st</sup>**

## **Require Disclosure of Fees and Expenses in Mutual Fund Performance Sales Material**

On July 5, 2006, the Securities and Exchange Commission (SEC) approved amendments to NASD Rules 2210 and 2211 that impose certain disclosure and presentation requirements on member communications with the public, other than institutional sales material and public appearances, that present non-money market mutual fund performance data (performance sales material). Such communications must disclose: (1) the standardized performance information mandated by Rule 482 under the Securities

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Act of 1933 (Rule 482) and Rule 34b-1 under the Investment Company Act of 1940 (Rule 34b-1); and (2) to the extent applicable, the fund's maximum front-end or back-end sales charge and annual operating expense ratio. The rule requires that all of this information be presented prominently and, in any print advertisement, in a prominent text box.

**Apr. 2<sup>nd</sup>**

### **Annual Audit Filing Due Date (Period Ending 01/31/07)**

SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. (Note: *Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date*).

**Apr. 5<sup>th</sup>**

### **Alternative Periodic Reporting for Transactions in Municipal Fund Securities (MSRB Rule G-15)**

Notwithstanding any other provision of this section (a), a broker, dealer or municipal securities dealer may effect transactions in municipal fund securities with customers without giving or sending to such customer the written confirmation required by paragraph (i) of this section (a) at or before completion of each such transaction if: (A) such transactions are effected pursuant to a periodic municipal fund security plan or a non-periodic municipal fund security program; and (B) such broker, dealer or municipal securities dealer gives or sends to such customer within five business days after the end of each quarterly period, in the case of a customer participating in a periodic municipal fund security plan, or each monthly period, in the case of a customer participating in a non-periodic municipal fund security program, a written statement disclosing, for each purchase, sale or redemption effected for or with, and each payment of investment earnings credited to or reinvested for, the account of such customer during the reporting period, the information required to be disclosed to customers pursuant to subparagraphs (A) through (D) of paragraph (i) of this section (a), with the information regarding each transaction clearly segregated.

**Apr. 16<sup>th</sup>**

### **NASD Rule 3070/Customer Complaint Filing Due Dates (Q1 2007)**

In accordance with NASD Rule 3070(c), each member shall report to NASD statistical and summary information regarding customer complaints in such detail as NASD shall specify by the 15th day of the month following the calendar quarter in which customer complaints are received by the member. For the purposes of this paragraph, "customer" includes any person other than a broker or dealer with whom the member has engaged, or has sought to engage, in securities activities, and "complaint" includes any written grievance by a customer involving the member or person associated with a member.

**Apr. 16<sup>th</sup>**

### **Electronic Mail Contacts (MSRB G-40)**

Each broker, dealer or municipal securities dealer shall maintain an Internet electronic mail account to permit communication with the MSRB, and shall appoint a Primary Electronic Mail Contact to serve as the official contact person for purposes of electronic mail communication between the broker, dealer or municipal securities dealer and the MSRB. Each Primary Electronic Mail Contact shall be a registered municipal securities principal (Series 53 or Series 51) of the broker, dealer or municipal securities

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dealer. Additionally, each broker, dealer or municipal securities dealer must review and, if necessary, update information on its Primary Electronic Mail Contacts and submit such information electronically to the MSRB within 17 business days after the end of each calendar quarter.

**Apr. 17<sup>th</sup>**

### **Short Interest Reporting Deadline (Settlement Date of 04/13/07)**

*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

**Apr. 24<sup>th</sup>**

### **Anti-Money Laundering (AML) Independent Test**

In accordance with NASD Rule 3011 and Section 352 of the USA Patriot Act, NASD broker/dealers are required to establish and conduct an annual independent audit program that is reasonably designed to assess and determine the firm's overall compliance with external AML regulatory requirements as well as internally prescribed AML policies and procedures to be completed on or before April 24<sup>th</sup> of each calendar year.

**Apr. 25<sup>th</sup>**

### **Quarterly FOCUS Part II/IIA Filings (Quarter ending 03/31/07)**

In accordance with SEC Rule 17a-5(a)(2)(iii), each broker/dealer registered pursuant to section 15 of the Act who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.

**Apr. 25<sup>th</sup>**

### **Quarterly NCS Reporting**

NASD broker/dealers must appoint and certify to NASD one executive representative to represent, vote, and act on behalf of the broker/dealer in all affairs of NASD. The executive representative must be a member of senior management and a registered principal of the firm. In addition, the executive representative is required to maintain an Internet electronic e-mail account for communication with NASD and must update firm contact information. Each firm must conduct a review and, if necessary, update its executive representative information through the NCS System on a quarterly basis within 17 business days after each calendar quarter.

**Apr. 30<sup>th</sup>**

### **MSRB Rule G-37 Reporting Requirement**

Each broker, dealer or municipal securities dealer shall, by the last day of the month following the end of each calendar quarter send to the MSRB Form G-37 setting forth, in the prescribed format, the following information: (A) for contributions to officials of issuers (other than a contribution made by a municipal finance professional or a non-MFP executive officer to an official of an issuer for whom such person is entitled to vote if all contributions by such person to such official of an issuer, in total, do not exceed \$250 per election) and payments to political parties of states and political subdivisions (other than a payment made by a

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municipal finance professional or a non-MFP executive officer to a political party of a state or a political subdivision in which such person is entitled to vote if all payments by such person to such political party, in total, do not exceed \$250 per year): (1) the name and title (including any city/county/state or political subdivision) of each official of an issuer and political party receiving contributions or payments during such calendar quarter, listed by state; (2) the contribution or payment amount made and the contributor category of each person and/or entity making such contributions or payments during such calendar quarter.(B) a list of issuers with which the broker, dealer or municipal securities dealer has engaged in municipal securities business during such calendar quarter, listed by state, along with the type of municipal securities business;(C) any information required to be included on Form G-37 for such calendar quarter pursuant to paragraph (e)(iii) of the Rule;(D) such other identifying information required by Form G-37; and (E) whether any contribution listed in this paragraph (e)(i) is the subject of an automatic exemption pursuant to section (j) of this rule, and the date of such automatic exemption.

**Apr. 30<sup>th</sup>**

### **Disclosure of Order Routing Practices (SEC Rule 606—Formally Rule 11Ac1-6) (Q1 2007)**

*SEC Rule 606* requires broker/dealers that route orders on behalf of customers to prepare quarterly reports that disclose the identity of the venues to which it routed orders for execution. The reports also will disclose the nature of the broker-dealer's relationship with those venues, including the existence of any internalization or payment for order flow arrangements. Additionally, *Rule 606* requires broker/dealers to make publicly available for each calendar quarter a report on its routing of non-directed orders in covered securities. The term "make publicly available" requires the Firm to complete three steps -- post on a free Internet web site, furnish a written copy on request, and notify customers at least annually that a written copy will be furnished on request. Each quarterly report shall be made publicly available within one month after the end of the quarter addressed in the report.

**Apr. 30<sup>th</sup>**

### **Annual Audit Filing Due Date (Period Ending 02/28/07)**

SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. (Please note: Pursuant to Schedule A of the NASD By-Laws, *requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date*).

**May 2<sup>nd</sup>**

### **Books and Records Deadline (Distribution of Account Record Data)**

In accordance with SEC Rule 17a-3(a)(17)(i)(B), for each account with a natural person as a customer or owner, broker/dealer firms must furnish to each customer or owner within three (3) years of the May 2, 2003 effective date, and to each customer or owner who opened an account after the effective date of this section within thirty (30) days of the opening of the account, and thereafter at intervals no greater than thirty-six (36) months, a copy of the account record or an alternate document with all information required by paragraph (a)(17)(i)(A) of this section. Broker/dealers may elect to send this notification with the next statement mailed to the customer or owner after the opening of the account. Broker/dealers may choose to exclude any tax

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identification number and date of birth from the account record or alternative document furnished to the customer or owner. Broker/dealers shall include with the account record or alternative document provided to each customer or owner an explanation of any terms regarding investment objectives. The account record or alternate document furnished to the customer or owner shall include or be accompanied by prominent statements that the customer or owner should mark any corrections and return the account record or alternate document to the member, broker or dealer, and that the customer or owner should notify the member, broker or dealer of any future changes to information contained in the account record.

**May 17<sup>th</sup>**

**Short Interest Reporting Deadline (Settlement Date of 05/15/07)**

*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

**May 23<sup>rd</sup>**

**Monthly and Fifth\* FOCUS II/IIA Filings (Month ending 04/30/07)**

In accordance with SEC Rule 17a-5(a)(2)(ii)-(iii), each broker/dealer registered pursuant to section 15 of the Act who clears transactions or carries customer accounts shall file Part II of Form X-17A-5 within 17 business days after the end of the calendar quarter; or every broker or dealer who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.

**May 30<sup>th</sup>**

**Annual Audit Filing Due Date (Period Ending 03/31/07)**

SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. *(Note: Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date).*

**May 31<sup>st</sup>**

**Statement Reminding Customers to Report Inaccuracies in Their Accounts**

NASD is issuing *NASD Notice to Members (NTM) 06-72* to supersede *NASD Notice to Members (NTM) 06-60* and replace the guidance provided in that Notice. On September 7, 2006, the Securities and Exchange Commission (SEC) approved amendments to Rule 2340 requiring customer account statements to include a statement advising customers to promptly report any inaccuracy or discrepancy in their account to the introducing firm and clearing firm (where these are different firms) and to re-confirm any oral communication in writing. *NTM 06-60* announced the effective date of that rule change as March 6, 2007. On December 5, 2006, the SEC approved NASD's request to change the effective date of this requirement to May 31, 2007. Additionally, this Notice clarifies an interpretation of the SEC's Division of Market Regulation under the net capital rule and SEC Rule 15c3-3 that requires

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clearing firms to include in customer account statements a telephone number at the clearing firm that a customer may use to contact the firm with inquiries regarding the customer's account.

**June 11<sup>th</sup>**

### **Revised OATS Reporting Technical Specifications**

On October 10, 2006, the Securities and Exchange Commission (SEC) approved amendments to NASD Rules 6951, 6952, and 6955 to expand the OATS reporting requirements to over-the-counter (OTC) equity securities. NASD is publishing *NASD Notice to Members (NTM) 06-70* to explain those amendments and inform members that a new version of the *OATS Reporting Technical Specifications (Technical Specifications)* also is being published to reflect these amendments and other technical changes described herein. The *Technical Specifications* can be found on NASD's Web site at Regulatory Systems > OATS > Technical Specifications. The effective date of the amendments and the changes to the *Technical Specifications* is June 11, 2007.

**June 19<sup>th</sup>**

### **Short Interest Reporting Deadline (Settlement Date of 06/15/07)**

*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

**June 25<sup>th</sup>**

### **Monthly and Fifth\* FOCUS II/IIA Filings (Month ending 05/31/07)**

In accordance with SEC Rule 17a-5(a)(2)(ii)-(iii), each broker/dealer registered pursuant to section 15 of the Act who clears transactions or carries customer accounts shall file Part II of Form X-17A-5 within 17 business days after the end of the calendar quarter; or every broker or dealer who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.

**June 29<sup>th</sup>**

### **Annual Audit Filing Due Date (Period Ending 04/30/07)**

SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. *(Note: Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date).*

**July 5<sup>th</sup>**

### **Alternative Periodic Reporting for Transactions in Municipal Fund Securities (MSRB Rule G-15)**

Notwithstanding any other provision of this section (a), a broker, dealer or municipal securities dealer may effect transactions in municipal fund securities with customers without giving or sending to such customer the written confirmation required by paragraph (i) of this section (a) at or before completion of each such transaction if: (A) such transactions are effected pursuant to

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a periodic municipal fund security plan or a non-periodic municipal fund security program; and (B) such broker, dealer or municipal securities dealer gives or sends to such customer within five business days after the end of each quarterly period, in the case of a customer participating in a periodic municipal fund security plan, or each monthly period, in the case of a customer participating in a non-periodic municipal fund security program, a written statement disclosing, for each purchase, sale or redemption effected for or with, and each payment of investment earnings credited to or reinvested for, the account of such customer during the reporting period, the information required to be disclosed to customers pursuant to subparagraphs (A) through (D) of paragraph (i) of this section (a), with the information regarding each transaction clearly segregated.

July 7<sup>th</sup>

### **Amendment to IM 2210-4: Limitations on Use of NASD's Name**

On November 9, 2006, the Securities and Exchange Commission (SEC) approved an amendment to Interpretive Material 2210-4 (IM-2210-4), requiring a member firm, or a person associated with a member firm, that refers to its membership in NASD on its Web site to hyperlink to NASD's home page, [www.nasd.com](http://www.nasd.com).

July 16<sup>th</sup>

### **NASD Rule 3070/Customer Complaint Filing Due Dates (Q2 2007)**

In accordance with NASD Rule 3070(c), each member shall report to NASD statistical and summary information regarding customer complaints in such detail as NASD shall specify by the 15th day of the month following the calendar quarter in which customer complaints are received by the member. For the purposes of this paragraph, "customer" includes any person other than a broker or dealer with whom the member has engaged, or has sought to engage, in securities activities, and "complaint" includes any written grievance by a customer involving the member or person associated with a member.

July 16<sup>th</sup>

### **Electronic Mail Contacts (MSRB G-40)**

Each broker, dealer or municipal securities dealer shall maintain an Internet electronic mail account to permit communication with the MSRB, and shall appoint a Primary Electronic Mail Contact to serve as the official contact person for purposes of electronic mail communication between the broker, dealer or municipal securities dealer and the MSRB. Each Primary Electronic Mail Contact shall be a registered municipal securities principal (Series 53 or Series 51) of the broker, dealer or municipal securities dealer. Additionally, each broker, dealer or municipal securities dealer must review and, if necessary, update information on its Primary Electronic Mail Contacts and submit such information electronically to the MSRB within 17 business days after the end of each calendar quarter.

July 17<sup>th</sup>

### **Short Interest Reporting Deadline (Settlement Date of 07/13/07)**

*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

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- July 25<sup>th</sup>**     **Quarterly FOCUS Part II/IIA Filings (Quarter ending 06/30/07)**  
In accordance with SEC Rule 17a-5(a)(2)(iii), each broker/dealer registered pursuant to section 15 of the Act who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.
- July 25<sup>th</sup>**     **Quarterly NCS Reporting**  
NASD broker/dealers must appoint and certify to NASD one executive representative to represent, vote, and act on behalf of the broker/dealer in all affairs of NASD. The executive representative must be a member of senior management and a registered principal of the firm. In addition, the executive representative is required to maintain an Internet electronic e-mail account for communication with NASD and must update firm contact information. Each firm must conduct a review and, if necessary, update its executive representative information through the NCS System on a quarterly basis within 17 business days after each calendar quarter.
- July 30<sup>th</sup>**     **Annual Audit Filing Due Date (Period Ending 05/31/07)**  
SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. (*Note: Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date*).
- July 31<sup>st</sup>**     **NASD Rule 3230(c)(3) Notifications**  
NASD Rule 3230(c)(3) requires that each year, by no later than July 31, each clearing member firm notify in writing the introducing member firm's chief executive and compliance officers of the reports offered to the introducing member firm pursuant to 3230(c)(1) and the reports requested by or supplied to the introducing member firm as of such date. Rule 3230(c)(3) also requires the clearing member firm to provide a copy of the notice to the introducing member firm's DEA.
- July 31<sup>st</sup>**     **MSRB Rule G-37 Reporting Requirement**  
Each broker, dealer or municipal securities dealer shall, by the last day of the month following the end of each calendar quarter send to the MSRB Form G-37 setting forth, in the prescribed format, the following information: (A) for contributions to officials of issuers (other than a contribution made by a municipal finance professional or a non-MFP executive officer to an official of an issuer for whom such person is entitled to vote if all contributions by such person to such official of an issuer, in total, do not exceed \$250 per election) and payments to political parties of states and political subdivisions (other than a payment made by a municipal finance professional or a non-MFP executive officer to a political party of a state or a political subdivision in which such person is entitled to vote if all payments by such person to such political party, in total, do not exceed \$250 per year): (1) the name and title (including any city/county/state or political subdivision) of each official of an issuer and political party receiving

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contributions or payments during such calendar quarter, listed by state; (2) the contribution or payment amount made and the contributor category of each person and/or entity making such contributions or payments during such calendar quarter.(B) a list of issuers with which the broker, dealer or municipal securities dealer has engaged in municipal securities business during such calendar quarter, listed by state, along with the type of municipal securities business;(C) any information required to be included on Form G-37 for such calendar quarter pursuant to paragraph (e)(iii) of the Rule;(D) such other identifying information required by Form G-37; and (E) whether any contribution listed in this paragraph (e)(i) is the subject of an automatic exemption pursuant to section (j) of this rule, and the date of such automatic exemption.

**July 31<sup>st</sup>**

**Disclosure of Order Routing Practices (SEC Rule 606—Formally Rule 11Ac1-6) (Q2 2007)**

*SEC Rule 606* requires broker/dealers that route orders on behalf of customers to prepare quarterly reports that disclose the identity of the venues to which it routed orders for execution. The reports also will disclose the nature of the broker-dealer's relationship with those venues, including the existence of any internalization or payment for order flow arrangements. Additionally, *Rule 606* requires broker/dealers to make publicly available for each calendar quarter a report on its routing of non-directed orders in covered securities. The term "make publicly available" requires the Firm to complete three steps -- post on a free Internet web site, furnish a written copy on request, and notify customers at least annually that a written copy will be furnished on request. Each quarterly report shall be made publicly available within one month after the end of the quarter addressed in the report.

**Aug. 17<sup>th</sup>**

**Short Interest Reporting Deadline (Settlement Date of 08/15/07)**

*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

**Aug. 23<sup>rd</sup>**

**Monthly and Fifth\* FOCUS II/IIA Filings (Month ending 07/31/07)**

In accordance with SEC Rule 17a-5(a)(2)(ii)-(iii), each broker/dealer registered pursuant to section 15 of the Act who clears transactions or carries customer accounts shall file Part II of Form X-17A-5 within 17 business days after the end of the calendar quarter; or every broker or dealer who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.

**Aug. 29<sup>th</sup>**

**Annual Audit Filing Due Date (Period Ending 06/30/07)**

SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. *(Note: Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date).*

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- Sep. 18<sup>th</sup>**     **Short Interest Reporting Deadline (Settlement Date of 09/14/07)**  
*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*  
NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.
- Sep. 26<sup>th</sup>**     **Monthly and Fifth\* FOCUS II/IIA Filings (Month ending 08/31/07)**  
In accordance with SEC Rule 17a-5(a)(2)(ii)-(iii), each broker/dealer registered pursuant to section 15 of the Act who clears transactions or carries customer accounts shall file Part II of Form X-17A-5 within 17 business days after the end of the calendar quarter; or every broker or dealer who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.
- Oct. 1<sup>st</sup>**     **Annual Audit Filing Due Date (Period Ending 07/31/07)**  
SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. *(Note: Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date).*
- Oct. 5<sup>th</sup>**     **Alternative Periodic Reporting for Transactions in Municipal Fund Securities (MSRB Rule G-15)**  
Notwithstanding any other provision of this section (a), a broker, dealer or municipal securities dealer may effect transactions in municipal fund securities with customers without giving or sending to such customer the written confirmation required by paragraph (i) of this section (a) at or before completion of each such transaction if: (A) such transactions are effected pursuant to a periodic municipal fund security plan or a non-periodic municipal fund security program; and (B) such broker, dealer or municipal securities dealer gives or sends to such customer within five business days after the end of each quarterly period, in the case of a customer participating in a periodic municipal fund security plan, or each monthly period, in the case of a customer participating in a non-periodic municipal fund security program, a written statement disclosing, for each purchase, sale or redemption effected for or with, and each payment of investment earnings credited to or reinvested for, the account of such customer during the reporting period, the information required to be disclosed to customers pursuant to subparagraphs (A) through (D) of paragraph (i) of this section (a), with the information regarding each transaction clearly segregated.
- Oct. 15<sup>th</sup>**     **NASD Rule 3070/Customer Complaint Filing Due Dates (Q3 2007)**  
In accordance with NASD Rule 3070(c), each member shall report to NASD statistical and summary information regarding customer complaints in such detail as NASD shall specify by the 15th day of the month following the calendar quarter in which customer complaints are received by the member. For the purposes of this paragraph, "customer" includes any person other than

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a broker or dealer with whom the member has engaged, or has sought to engage, in securities activities, and "complaint" includes any written grievance by a customer involving the member or person associated with a member.

**Oct. 15<sup>th</sup>**

### **Electronic Mail Contacts (MSRB G-40)**

Each broker, dealer or municipal securities dealer shall maintain an Internet electronic mail account to permit communication with the MSRB, and shall appoint a Primary Electronic Mail Contact to serve as the official contact person for purposes of electronic mail communication between the broker, dealer or municipal securities dealer and the MSRB. Each Primary Electronic Mail Contact shall be a registered municipal securities principal (Series 53 or Series 51) of the broker, dealer or municipal securities dealer. Additionally, each broker, dealer or municipal securities dealer must review and, if necessary, update information on its Primary Electronic Mail Contacts and submit such information electronically to the MSRB within 17 business days after the end of each calendar quarter.

**Oct. 17<sup>th</sup>**

### **Short Interest Reporting Deadline (Settlement Date of 10/15/07)**

*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

**Oct. 23<sup>rd</sup>**

### **Quarterly FOCUS Part II/IIA Filings (Quarter ending 09/30/07)**

In accordance with SEC Rule 17a-5(a)(2)(iii), each broker/dealer registered pursuant to section 15 of the Act who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.

**Oct. 23<sup>rd</sup>**

### **Quarterly NCS Reporting**

NASD broker/dealers must appoint and certify to NASD one executive representative to represent, vote, and act on behalf of the broker/dealer in all affairs of NASD. The executive representative must be a member of senior management and a registered principal of the firm. In addition, the executive representative is required to maintain an Internet electronic e-mail account for communication with NASD and must update firm contact information. Each firm must conduct a review and, if necessary, update its executive representative information through the NCS System on a quarterly basis within 17 business days after each calendar quarter.

**Oct. 30<sup>th</sup>**

### **Annual Audit Filing Due Date (Period Ending 08/31/07)**

SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD

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20850. The filing must be received by the due date at NASD at the above noted address. (Note: Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date).

**Oct. 31<sup>st</sup>**

### **MSRB Rule A-14 (Annual Fee)**

In addition to any other fees prescribed by the MSRB, each broker, dealer and municipal securities dealer shall pay an annual fee to the MSRB of [\$200] \$300, with respect to each fiscal year of the Board in which the broker, dealer or municipal securities dealer conducts municipal securities activities. Such fee must be received at the office of the Board no later than October 31 of the fiscal year for which the fee is paid, accompanied by the invoice sent to the broker, dealer or municipal securities dealer by the Board, or a written statement setting forth the name, address and Commission registration number of the broker, dealer or municipal securities dealer on whose behalf the fee is paid.

**Oct. 31<sup>st</sup>**

### **MSRB Rule G-37 Reporting Requirement**

Each broker, dealer or municipal securities dealer shall, by the last day of the month following the end of each calendar quarter send to the MSRB Form G-37 setting forth, in the prescribed format, the following information: (A) for contributions to officials of issuers (other than a contribution made by a municipal finance professional or a non-MFP executive officer to an official of an issuer for whom such person is entitled to vote if all contributions by such person to such official of an issuer, in total, do not exceed \$250 per election) and payments to political parties of states and political subdivisions (other than a payment made by a municipal finance professional or a non-MFP executive officer to a political party of a state or a political subdivision in which such person is entitled to vote if all payments by such person to such political party, in total, do not exceed \$250 per year): (1) the name and title (including any city/county/state or political subdivision) of each official of an issuer and political party receiving contributions or payments during such calendar quarter, listed by state; (2) the contribution or payment amount made and the contributor category of each person and/or entity making such contributions or payments during such calendar quarter. (B) a list of issuers with which the broker, dealer or municipal securities dealer has engaged in municipal securities business during such calendar quarter, listed by state, along with the type of municipal securities business; (C) any information required to be included on Form G-37 for such calendar quarter pursuant to paragraph (e)(iii) of the Rule; (D) such other identifying information required by Form G-37; and (E) whether any contribution listed in this paragraph (e)(i) is the subject of an automatic exemption pursuant to section (j) of this rule, and the date of such automatic exemption.

**Oct. 31<sup>st</sup>**

### **Disclosure of Order Routing Practices (SEC Rule 606—Formally Rule 11Ac1-6) (Q3 2007)**

*SEC Rule 606* requires broker/dealers that route orders on behalf of customers to prepare quarterly reports that disclose the identity of the venues to which it routed orders for execution. The reports also will disclose the nature of the broker-dealer's relationship with those venues, including the existence of any internalization or payment for order flow arrangements. Additionally, *Rule 606* requires broker/dealers to make publicly available for each calendar quarter a report on its routing of non-directed orders in covered securities. The term "make publicly available" requires the Firm to complete three steps -- post on a free Internet web

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site, furnish a written copy on request, and notify customers at least annually that a written copy will be furnished on request. Each quarterly report shall be made publicly available within one month after the end of the quarter addressed in the report.

**Nov. 19<sup>th</sup>**

### **Short Interest Reporting Deadline (Settlement Date of 11/15/07)**

*Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

**Nov. 26<sup>th</sup>**

### **Monthly and Fifth\* FOCUS II/IIA Filings (Month ending 10/31/07)**

In accordance with SEC Rule 17a-5(a)(2)(ii)-(iii), each broker/dealer registered pursuant to section 15 of the Act who clears transactions or carries customer accounts shall file Part II of Form X-17A-5 within 17 business days after the end of the calendar quarter; or every broker or dealer who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.

**Nov. 29<sup>th</sup>**

### **Annual Audit Filing Due Date (Period Ending 09/30/07)**

SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. (*Note: Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date*).

**Dec. 7<sup>th</sup>**

### **Preliminary Renewal Statement- Payment Due**

The Preliminary Renewal Statement reflects all current registration approvals and/or Notice Filings as of the date of this statement. NASD must receive the exact amount shown no later than December 7<sup>th</sup>. Firms may submit an online Renewal payment by accessing the Web CRD/IARD E-Pay Application. In order for funds to be posted to your firm's Renewal Account by December 7<sup>th</sup>, payment must be submitted electronically, no later than 8:30 p.m. (ET), on December 5<sup>th</sup>. If payment is NOT posted by the December 5<sup>th</sup>, payment due date, the firm will be assessed a Renewal Late Payment Fee. This Renewal Late Payment Fee will be included as part of the firm's Final Renewal Statement and will be calculated as follows: 10% of a Member Firm's cumulative Final Renewal Assessment or \$100, whichever is greater, with a cap of \$5,000.

## 2007 Broker/Dealer Compliance Calendar

**Dec. 18<sup>th</sup>**

**Short Interest Reporting Deadline (Settlement Date of 12/14/07)**

*(Exchange-Listed Short Interest Due by 1:00PM EST; NASDAQ Short Interest Due by 6:00PM EST)*

NASD Rule 3360(a) requires member broker/dealers to maintain a record of total short positions in all customer and proprietary firm accounts in NASDAQ securities—and listed securities if not reported to another self-regulatory organization (SRO)—and requires member broker/dealers to report such information to NASD on a monthly basis.

**Dec. 26<sup>th</sup>**

**Monthly and Fifth\* FOCUS II/IIA Filings (Month ending 11/30/07)**

In accordance with SEC Rule 17a-5(a)(2)(ii)-(iii), each broker/dealer registered pursuant to section 15 of the Act who clears transactions or carries customer accounts shall file Part II of Form X-17A-5 within 17 business days after the end of the calendar quarter; or every broker or dealer who does not carry nor clear transactions nor carry customer accounts shall file Part IIA of Form X-17A-5 within 17 business days after the end of each calendar quarter.

**Dec. 31<sup>st</sup>**

**Annual Audit Filing Due Date (Period Ending 10/31/07)**

SEC Rule 17a-5 requires that NASD broker/dealers file with NASD Principal Office of the designated examining authority an Annual Audited Report not more than 60-calendar days after the date selected for their fiscal year end. To be a valid filing, the Annual Audit must be physically filed with the NASD Systems Support Department at 9509 Key West Avenue, Rockville, MD 20850. The filing must be *received by the due date* at NASD at the above noted address. *(Note: Requests for Extension to the Annual Audit due date must be made in writing 3 business days prior to the due date).*

## Conferences and Events Reference

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Feb. 22<sup>nd</sup>

**NASD Small Firm Conference Series (Los Angeles, CA)**

*(If you have questions about this conference, please call (212) 858-4119)*

NASD Small Firm Conferences are designed specifically to provide small firms with an opportunity to identify best practices for compliance and supervision issues. Come to share common experiences with other compliance professionals, as well as to hear and discuss updates on the latest securities regulations.

Mar. 14<sup>th</sup>

**NASD Small Firm Conference Series (New York, NY)**

*(If you have questions about this conference, please call (212) 858-4119)*

NASD Small Firm Conferences are designed specifically to provide small firms with an opportunity to identify best practices for compliance and supervision issues. Come to share common experiences with other compliance professionals, as well as to hear and discuss updates on the latest securities regulations.

Mar. 29<sup>th</sup>

**NASD Fixed Income Conference (New York, NY)**

*(If you have questions about this conference, please call (212) 858-4119)*

Increased transparency in the fixed income marketplace is integral to protecting market integrity—and it impacts how you conduct business. NASD's annual Fixed Income Conference is your opportunity to stay abreast of ever-evolving issues and recent developments. Hear NASD staff and industry experts discuss the latest in TRACE, trading practices, fair pricing, suitability, recent examination findings and enforcement actions

Mar. 30<sup>th</sup>

**NASD Operations Conference (New York, NY)**

*(For more information regarding this conference, please see the NASD Website for Conferences and Events)*

The Operations Conference offers operations and compliance professionals an opportunity to explore integrated operations strategies to support firms' compliance efforts. Come to hear industry practitioners share their insights on how integrating operations and compliance can help firms meet regulatory requirements.

Apr. 13<sup>th</sup>

**NASD Compliance Tech Conference (New York, NY)**

*(For more information regarding this conference, please see the NASD Website for Conferences and Events)*

Technology supports an ever-increasing array of day-to-day activities, including compliance. This conference is an opportunity for compliance, technology and operations professionals to come together and explore integrated technology solutions and strategies that support compliance efforts. Through practical discussions, case studies and informative presentations, experts discuss how to use technology to help meet regulatory requirements.

## 2007 Broker/Dealer Compliance Calendar

**Apr. 30<sup>th</sup>-  
May 4<sup>th</sup>**

**NASD Institute at Wharton- Phase I: Foundation (San Francisco, CA)**

This intensive five-day program takes place at the Wharton School executive education facility in San Francisco, CA. Taught by Wharton professors and industry professionals, this foundational course leverages case studies and interactive discussions to arm participants with a broad understanding of the financial services industry and financial regulations. All NASD Institute at Wharton certificate candidates are required to complete this course.

**May 22-24<sup>th</sup>** **NASD Spring Securities Conference (Chicago, IL)**

*(For more information regarding this conference, please see the NASD Website for Conferences and Events)*

NASD Annual Securities Conferences explore the industry's latest updates in securities regulation and compliance. Featuring timely insights from industry experts, content-rich workshops and other activities, these conferences are designed to equip compliance and legal professionals with the tools and knowledge needed on a day-to-day basis. Attendees hear directly from NASD senior management and other industry leaders, and learn from fellow attendees through a variety of discussions, knowledge-sharing exercises and networking opportunities. These conferences are ideal for new and experienced securities compliance professionals, supervisors, and branch and main office staff, as well as regulators, legal staff and others working in the financial services industry.

**July (TBA)** **NASD Small Firm Conference Series (Boston, MA)**

*(If you have questions about this conference, please call (212) 858-4119)*

NASD Small Firm Conferences are designed specifically to provide small firms with an opportunity to identify best practices for compliance and supervision issues. Come to share common experiences with other compliance professionals, as well as to hear and discuss updates on the latest securities regulations.

**July (TBA)** **NASD Branch Office Compliance Conference (Minneapolis, MN)**

*(For more information regarding this conference, please see the NASD Website for Conferences and Events)*

Help your firm refine branch office management and supervision practices by attending the Branch Office Conference. Discover methods to more effectively manage and supervise branch offices through presentations and interactive sessions with fellow branch managers and compliance professionals.

**Aug. 6<sup>th</sup>-10<sup>th</sup>** **NASD Institute at Wharton- Phase I: Foundation (Philadelphia, PA)**

This intensive five-day program takes place at the Wharton School executive education facility in Philadelphia, PA. Taught by Wharton professors and industry professionals, this foundational course leverages case studies and interactive discussions to arm participants with a broad understanding of the financial services industry and financial regulations. All NASD Institute at Wharton certificate candidates are required to complete this course.

## 2007 Broker/Dealer Compliance Calendar

- Sep. 24<sup>th</sup>** **NASD Small Firm Conference Series (Chicago, IL)**  
*(If you have questions about this conference, please call (212) 858-4119)*  
NASD Small Firm Conferences are designed specifically to provide small firms with an opportunity to identify best practices for compliance and supervision issues. Come to share common experiences with other compliance professionals, as well as to hear and discuss updates on the latest securities regulations.
- Oct. 10-12<sup>th</sup>** **NASD Fall Securities Conference (Scottsdale, AZ)**  
*(For more information regarding this conference, please see the NASD Website for Conferences and Events)*  
NASD Annual Securities Conferences explore the industry's latest updates in securities regulation and compliance. Featuring timely insights from industry experts, content-rich workshops and other activities, these conferences are designed to equip compliance and legal professionals with the tools and knowledge needed on a day-to-day basis. Attendees hear directly from NASD senior management and other industry leaders, and learn from fellow attendees through a variety of discussions, knowledge-sharing exercises and networking opportunities. These conferences are ideal for new and experienced securities compliance professionals, supervisors, and branch and main office staff, as well as regulators, legal staff and others working in the financial services industry.
- Nov. 5<sup>th</sup>-9<sup>th</sup>** **NASD Institute at Wharton- Phase III: Capstone (Philadelphia, PA)**  
Over five days, Wharton professors explore a series of advanced-level regulatory and compliance topics that help participants build on previous courses. All NASD Institute at Wharton certificate candidates are required to complete this weeklong course, which takes place onsite at the Wharton School in Philadelphia.

*Note: Information contained herein is intended to be used as a reminder notification for satisfying broker/dealer compliance requirements in accordance with pre-established due dates. This Compliance Calendar may not be inclusive of all regulatory requirements, and as federal, state and self-regulatory organization (SRO) rules and regulations are subject to change, information on various regulatory requirements specific to each broker/dealer's status should be independently verified to ensure compliance with current regulatory guidelines. More specific checklists and reports detailing compliance review requirements by frequency or task/project are available.*

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Financial Registrations, Inc. is a compliance management consulting firm providing registration and compliance advisory services to securities broker/dealers and registered investment advisers. For more information on this topic or other compliance related matters, please contact:

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