

Introduction

The following section includes a summary of the supervisory requirements and procedures as they relate to the supervision of OSJ, Non-OSJ branch and “unregistered” satellite offices and their assigned registered personnel. If applicable, every broker/dealer firm that maintains an OSJ office should ensure that each OSJ Manager at every location has read and understands the OSJ/Branch Office Procedures. The Firm will also ensure that each OSJ and branch manager is maintaining a copy of the OSJ/Branch Office Procedures *in addition* to any generally written supervisory procedures as specified by the Firm.

11.01 Types of Designated Offices

Current Branch Office Definition (In effect until July 3, 2006)

Office of Supervisory Jurisdiction (OSJ)

The term “Office of Supervisory Jurisdiction” shall mean any office at which any one or more of the following functions take place:

- Order execution and/or market making;
- Structuring of public offerings or private placements;
- Maintaining custody of customers' funds and/or securities;
- Final acceptance (approval) of new accounts on behalf of the Firm;
- Review and endorsement of customer orders;
- Final approval of advertising/sales literature for use by persons associated with the Firm; or
- Responsibility for supervising the activities of persons associated with the Firm at one or more other branch offices of the Firm.

Under these conditions, the Firm may also designate additional OSJs with consideration being given to the following areas:

- Whether registered representatives at the location engage in retail sales or other activities involving regular contact with public customers;
- Whether a substantial number of registered representatives conduct securities activities at, or are otherwise supervised from, such location;
- Whether the location is geographically distant from another OSJ of the Firm;
- Whether the securities activities at such location are unique to that office.

Non-OSJ Branch Office

The term “Branch Office” means any location identified by any means to the public or customers as a location at which the member conducts an investment banking or securities business, excluding:

- Any location identified in a telephone directory line listing or on a business card or letterhead, which listing, card, or letterhead also sets forth the address and telephone number of the branch

office or OSJ of the firm from which the person(s) conducting business at the non-branch locations are directly supervised;

- Any location referred to in a member advertisement, as this term is defined in *NASD Rule 2210*, by its local telephone number and/or local post office box provided that such reference may not contain the address of the non-branch location and, further, that such reference also sets forth the address and telephone number of the branch office or OSJ of the firm from which the person(s) conducting business at the non-branch location are directly supervised;
- Any location identified by address in a member's sales literature, as this term is defined in *NASD Rule 2210*, provided that the sales literature also sets forth the address and telephone number of the branch office or OSJ of the firm from which the person(s) conducting business at the non-branch locations are directly supervised; or
- Any location where a person conducts business on behalf of the member occasionally and exclusively by appointment for the convenience of customers, so long as each customer is provided with the address and telephone number of the branch office or OSJ of the firm from which the person conducting business at the non-branch location is directly supervised.

“Unregistered Offices”

Many broker/dealers employ associated persons at offices that are not designated OSJs or registered as branch offices. In these cases, such offices are referred to as “unregistered offices,” and include any location at which a member firm is conducting a securities business that does not fall within the definition of OSJ or branch office. Some associated persons working in these unregistered offices are involved in other business enterprises, such as insurance, real estate sales, accounting, tax planning, or investment advisory services, and consequently may be classified for compensation purposes as part-time employees or independent contractors. Some unregistered offices also operate as separate business entities under names other than those of the members.

New “Uniform Definition” of Branch Office (Effective July 3, 2006)

Effective May 1, 2006, the new Uniform Definition defines a “branch office” as any location where one or more associated persons of a member firm regularly conducts the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of, any security, or that is held out as such.

Offices That Supervise Other Offices

Current Rule 3010(g)(2)(B) provides that any location that is responsible for supervising the activities of persons associated with the member at one or more *non-branch* locations of the member is considered to be a branch office. This provision is currently effective and will remain so after the effective date of the Uniform Definition.

Note: Further, members are reminded that pursuant to Rule 3010(g)(1), any location that is responsible for supervising the activities of persons associated with the member at one or more branch offices of the member is an OSJ.

Exemptions to Uniform Definition

The Uniform Definition *excludes* from registration as a branch office: (1) a location that operates as a non-sales location/back office; (2) a representative's primary residence provided it is not held out to the public and certain other conditions are satisfied; (3) a location, other than the primary residence, that is used for less than 30 business days annually for securities business, is not held out to the public as an office, and which satisfies certain of the conditions set forth in the primary residence exception; (4) a location of convenience used occasionally and by appointment; (5) a location used primarily for non-securities business and from which less than 25 securities

transactions are effected annually; (6) the floor of an exchange; and (7) a temporary location used as part of a business continuity plan. (NTM 05-67; Effective May 1, 2006)

NASD has extended from May 1, 2006 to July 3, 2006 (1) the effective date of the Uniform Definition; and (2) the transition deadline for compliance with Form BR (Uniform Branch Office Registration Form) and Form U4 (Uniform Application for Securities Industry Registration or Transfer) filing requirements for firms with respect to those branch offices of a firm in existence before the close of business on October 14, 2005. Firms will have until July 3, 2006 to (1) complete and file the "conversion" Form BR for each such branch; and (2) with respect to the registered persons employed by such branches, amend all applicable Forms U4 to assign these registered persons to the branch office(s) (or other locations) from which they work. (NTM 06-12; Effective July 3, 2006) ►►

Implementation Strategy

The designated CCO or other authorized supervisor will ensure that the Firm properly files a Form BR for any office that is a "branch office" under the Uniform Definition as described above on or before July 3, 2006.

Note: Please see the Office Compliance Requirements or Exhibits 11.01a, 11.01b, and 11.01c for further details of the Firm's OSJ, Branch and "unregistered" or satellite office requirements.

11.02 Frequency of OSJ/Branch Office Review

NASD rules require that NASD member firms supervise each of their associated persons, regardless of their location, compensation arrangement, or registration status. The following information addresses the Firm's obligations to supervise its associated persons located in Offices of Supervisory Jurisdiction (OSJs), branch offices, and all other offices (referred to as "unregistered offices") and to inspect these offices on a regular, periodic basis.

NASD Rule 3010(a) sets forth the basic duty of a broker/dealer firm to establish and maintain a system to supervise properly the activities of each registered representative and associated person. Although the rule does not prescribe specific supervisory procedures to be followed by all firms, it sets forth minimum requirements for a supervisory system and mandates that the supervisory system adopted enable a firm to properly supervise the activities of each associated person to assure compliance with applicable securities laws, rules, regulations, and statements of policy and with NASD rules. Thus, the adequacy of a firm's supervisory system is evaluated based on its structure and activities.

A member's supervisory responsibility includes:

- maintaining a record of the locations of all unregistered offices, which must be made available to regulators upon request;
- educating associated persons working from an unregistered office as to their obligations to the firm and to the public, including prohibited sales practices;
- maintaining regular and frequent professional contact with such individuals; and
- implementing appropriate supervisory practices, such as records inspections and compliance audits at the associated persons' places of employment, to ensure that their methods of business and day-to-day operations comply with applicable rules and requirements.

To fulfill these obligations, a firm should consider whether the number and location of its registered principals provides the capability to supervise its unregistered office personnel effectively.

Rule 3010(c) imposes upon a member the obligation to review the activities of each office, which includes the periodic examination of customer accounts to detect and prevent irregularities and abuses. The rule requires an inspection at least annually of each OSJ and cycle examinations of branch offices. Although the rule does not specify the frequency of inspections for unregistered offices, in order to fulfill the general obligation to supervise, such inspections should be conducted according to a regular schedule. The frequency and scope of inspections should be determined based on factors such as the nature and volume of business conducted at the office and the nature and extent of contact with customers, for example.

Under *NASD Rule 3010(g)(1)*, an office that is responsible for supervising one or more branch offices must be designated as an OSJ, and each OSJ is subject to an annual inspection under *NASD Rule 3010(c)*. The rule does not address the frequency of inspections of a non-OSJ office that supervises one or more unregistered offices; however, it is recommended that a non-OSJ office that supervises one or more unregistered offices also should be inspected at least annually.

Note: Please see the Firm's Internal Inspection Frequency Review Cycle or Exhibit 11.02 for further details on the frequency of the Firm's OSJ, Branch and "unregistered" office reviews. ►►

Implementation Strategy

Each of the Firm's designated supervisors will ensure that a supervisory review of each designated office location is conducted in accordance with the OSJ/Branch Frequency Review Cycle located at Exhibit 11.02. Each supervisory review will be properly documented as evidence of review.

11.03 Process and Method of Oversight and Review

The designated OSJ Manager will conduct each office review in accordance with the Firm's OSJ/Branch Office Frequency Review Cycle. The process and method of oversight and review will be conducted by a regularly scheduled (or unannounced) onsite inspection of each office. Such inspections of designated OSJ, branch or unregistered offices should include, among other things, a review of any on-site customer account documentation and other books and records, meetings with individual registered representatives to discuss the products they are selling and their sales methods, and an examination of correspondence and sales literature. Unannounced visits may be appropriate, particularly where there are indicators of misconduct or potential misconduct, or "red flags," such as receipt of significant customer complaints; personnel with disciplinary records; or excessive trade corrections, extensions, liquidations, or variable contract replacements. Each firm should determine which other red flags would trigger an unannounced inspection based on the type of business and personnel located at its unregistered offices.

At the discretion of the Firm, the OSJ Manager may use one or more internal branch office "checklists" to further complete each review as they relate to the specific OSJ, branch or unregistered office location under inspection. Each internal checklist will cover the general and/or specific federal, state and self-regulatory (SRO) rules and regulations as they pertain to the securities business of the Firm.

11.04 Assignment of Designated Supervisors and Registered Personnel

Designation of Supervisory Personnel

In accordance with *NASD Rule 3010(a)(5)*, the Firm will assign each registered person to at least one supervisor in order to monitor his or her activities with respect to a securities business. When designating such supervisory personnel, the Firm will ensure that each supervisor can only be responsible for supervising those activities for which they are appropriately qualified.

The requirement that each registered person shall be assigned at least one supervisor provides each registered person with a clear line of authority and specifically identifies all persons for which the supervisor maintains supervisory responsibility. Additionally, the Firm also recognizes the fact that a supervisory system that is reasonably designed to achieve compliance with applicable federal, state and self-regulatory rules and regulations *does not* permit persons to supervise themselves.

Appropriate Registrations for Supervisory Personnel

In accordance with *NASD Rule 3010(a)(4)*, the Firm will assign responsibility for supervising an OSJ or a branch office to a person who is appropriately registered to fulfill the supervisory obligations assigned to the office. Therefore, those individuals with ultimate responsibility for supervising each type of business conducted at the office or supervised from the office must be registered as a principal for that type of business.

Designation of OSJ Supervisor(s)

In accordance with *NASD Rule 3010(a)(4)*, the Firm will assign to each OSJ at least one principal with the authority to carry out the supervisory responsibilities conducted at the OSJ.

Designation of Branch Supervisor(s)

In accordance with *NASD Rule 3010(a)(4)*, the Firm will assign to each Branch Office (that is not designated as an OSJ) at least one supervisor. In this situation, certain supervisory tasks may be delegated to a registered representative. However, ultimate supervisory responsibility for every registered and unregistered branch office must be assigned to one or more appropriately registered principals. ►►

Implementation Strategy

The Firm will monitor its growth and expansion activities as they relate to personnel and designated offices to ensure that each registered person will be assigned at least one designated supervisor in order to monitor his or her activities with respect to their securities business. Additionally, the Firm will ensure all assigned and designated supervisors to each OSJ and/or branch office locations are appropriately qualified to supervise the activities conducted or supervised from that OSJ and/or branch office.

In the event that the Firm should increase its number of personnel or OSJ/branch office locations within the safe harbor rule pursuant to *NTM 00-73*, the Firm will ensure that the above requirements are met. However, in the event that the Firm expands its business or increases its number of OSJ/branch office locations beyond the safe harbor rule (a 30% increase in registered representative or branch offices within a 12-month period), the Firm will notify the NASD and file a request for a change or continuance in membership, if necessary.

11.05 General Responsibilities of the OSJ Manager

The Firm regards supervision as a critical focus area for ensuring compliance in broker/dealer business activities and operations. OSJ Managers, as well as any other designated person(s) responsible for the supervision of others, should take steps to carefully supervise the activities and individuals under their immediate supervision in accordance with federal, state, self-regulatory organization (SRO) rules and regulations. The Firm acknowledges that supervisors as well as the employer firm may be held liable for failing to supervise any/all employees under their supervision.

Responsibility of Oversight and Review

It is the responsibility of the designated OSJ Manager to conduct a key supervisory role within the Firm. Each OSJ Manager shall be responsible for reviewing the general business activities of each assigned office and each registered representative and associated person under their immediate supervision.

Issuance of Procedures

In addition to the Firm's designated Compliance Officer, the OSJ Branch Manager shall be responsible for ensuring that each registered representative and/or associated person has read and understands the Firm's Compliance and Supervisory Procedures.

Delegation of Responsibilities

In the event that the designated OSJ Manager is unable to perform certain supervisory obligations, he or she may delegate such supervisory responsibilities to another person provided that person is a registered principal. Upon delegation, the OSJ Manager should ensure that each registered principal understands the recently assigned delegated responsibilities and must review the performance of each person assigned with such a responsibility. All delegation of responsibilities, to include the names, tasks, and dates of delegation will be documented and maintained at each OSJ/branch office location. ►►

Implementation Strategy

The Firm has appointed all current supervisory responsibility to the designated OSJ Manager of each properly designated OSJ location.

11.06 Review of New Customer Account Records

New Customer Accounts

It is the responsibility of each OSJ Manager to review new accounts opened at OSJ and branch office locations. The OSJ Manager should make a reasonable effort to obtain additional information from the registered representative if necessary. The following is a list of the items that the designated principal should verify are included in the new account documentation.

General Account Review

- Name of the customer or the account number;
- Information as to if the customer is of legal age;
- Signature of registered rep introducing the account;
- Signature of principal approving the account;
- Name of person(s) authorized to transact activity in the account;
- Customer SSN or Tax ID;
- Customer occupation, employer's name & address;
- Customer's financial status, net income, liquid net worth etc.;
- Customer's tax status;
- Customer's investment objectives;
- Payment for order flow disclosure;
- Other information that is reasonable for recommendations to the customer.

Margin Accounts

- Signed margin agreement;
- Margin disclosure form.

Options Account

- Signed options account agreement;
- Customer's option experience;
- ROP Signature;
- Date options disclosure document was sent to the customer;
- Options account trading limits.

Note: The Firm currently does not allow registered representatives to open option accounts.

Discretionary Accounts

- Name of person authorized with discretionary authority;
- Date discretion granted;
- Relationship between the person with discretionary authority and the customer;
- Signed power of attorney or discretion agreement;
- Discretionary authority limits.

Note: The Firm currently does not allow registered representatives to have discretionary authority on customer accounts. ►►

Implementation Strategy

Upon opening each new customer account, the designated OSJ Branch Manager will review and approve all new customer account applications. All relevant new customer account documentation will be appropriately documented and filed as evidence of review.

Suitability Review

The Firm will make a reasonable effort to ensure that any recommended product is suitable for the individual customer. In determining customer suitability, the Firm will evaluate the suitability of each transaction based on the following customer account information:

- Financial status;
- Tax status;
- Investment objectives;
- Previous investment experience;
- Age and occupation; ►►

Implementation Strategy

On a per transaction basis, the designated OSJ Branch Manager will review new customer accounts and/or recommended transactions to evaluate the suitability of each transaction in accordance with current requirements as specified above. All account and transaction information involving recommended products will be appropriately documented and filed as evidence of review.

11.07 Review of Customer Orders and Transactions

Customer Order Tickets

It is the responsibility of the designated OSJ Manager to conduct a review of all customer order tickets to ensure proper preparation in accordance with current regulatory requirements and any additional requirements as specified by the Firm. The following is list of some of the target areas for reviewing customer order tickets:

- Customer name and/or account number;
- Issuer ID (Symbol or CUSIP #);
- Number of shares;
- Price;
- Buy, sell or short sale indicator;
- Location of securities for a sale, ex. Long in account (all trades assumed long unless specified);
- Special instructions (Limit, All or None, Do-not-Display, etc.);
- Solicited/unsolicited (all trades assumed unsolicited unless specified);
- Time received;
- Execution time;
- Registered rep ID; ►►

Implementation Strategy

The designated OSJ Branch Manager will review customer order tickets to ensure proper preparation in accordance with current regulatory requirements as specified above. All daily order tickets shall be reviewed and appropriately documented and filed as evidence of review.

Note: The documentation of review procedures could include initialing trade blotter, the order tickets, or initialing the top order ticket if the order tickets are bunched together.

Mutual Fund Transactions and Switching

It is the responsibility of the OSJ Manager to monitor and supervise all Mutual Fund transactions and/or Switching conducted at the OSJ and its branch offices. Each OSJ Manager should follow all procedures as set forth in this manual. All mutual fund switches must be reviewed by the OSJ Manager and approved in writing by the customer in the form of a *Letter of Acknowledgement Regarding Change in Investment Portfolio Form (LOA)* to be maintained at the OSJ/branch office.

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Implementation Strategy

The Designated OSJ Branch Manager will review transaction information, new account forms and LOA's in an effort to detect the presence of any unauthorized or unsuitable switching in customer accounts at the OSJ Branch level. All relevant transaction information shall be properly documented and filed as evidence of review.

Low Price Securities Transactions

If applicable, the OSJ Manager will be responsible for reviewing any transactions involving low price securities on a regular basis. For the purposes of this section, the Firm has classified a low price security as any security with a per share price point of less than five U.S. dollars. In addition to share price classification, each transaction should be reviewed for customer suitability and overall compliance with all applicable Penny Stock rules as set forth in *SEC Rule 15g-1* through *SEC Rule 15g-9*, and corresponding rules such as *SEC Rule 17a-3*, and *NASD Rule 3110*. ►►

Implementation Strategy

The Designated OSJ Branch Manager will review transactions involving securities of less than \$5.00 for customer suitability issues and overall compliance with all applicable penny stock rules on a continuous basis. All relevant transaction information shall be properly documented as evidence of review.

Rule 144 Transactions

It is the responsibility of the designated OSJ Manager to monitor and supervise the Firm's policies and procedures regarding all Rule 144 Transactions at the OSJ/branch office. The OSJ Manager should be notified prior to the sale of securities where the customer is a shareholder, director, and/or officer of the company. It is the policy of the Firm that all Rule 144 Transactions should be reviewed and approved *prior* to execution. ►►

Implementation Strategy

All Rule 144 transactions MUST be approved in advance by a designated supervisor in the Home Office. All relevant transaction information shall be properly documented as evidence of review.

11.08 Review of Registered Representative Account Statements

Employee Personal Trading Account Statements

Each OSJ and branch manager will be responsible for reviewing and initialing employee account brokerage statements of registered personnel located at the OSJ and branch office under its supervision. Each OSJ Manager review regarding supervised employee accounts should be thorough enough to be able to identify potential areas of concern such as any unusual trading patterns. ►►

Implementation Strategy

On a periodic basis, the designated OSJ Branch Manager will review each employee brokerage account statement(s) for any indications of potential inappropriate or manipulative activity. A copy of each employee account statement will be appropriately documented and filed as evidence of review.

11.09 Review of Internal Blotters and Reports

Trade Blotters

The designated OSJ Manager will also conduct a review of the daily trade blotter to ensure compliance with current regulatory requirements and any additional requirements as specified by the Firm. The following is list of some of the target areas for reviewing daily trade blotters:

- Excessive Trading- Review any unusually high trading activity;
- Mark-ups- Review for excessive mark-ups;
- Front Running-Identify situations in a proprietary account or other account that trades ahead of a customer order;
- Unusual Trading- Review for inconsistent or unusual trading activity;
- Parking/Adjust Trades- Check for sales and repurchases between two or more accounts or trades that are away from the market;
- Other-Review for any activity in employee accounts that is similar to that of customer accounts.

Checks Received and Forwarded Blotter

The designated OSJ Manager will be responsible for reviewing all checks received as a result of transactions conducted at the OSJ and/or branch office locations. Each OSJ Manager should follow all procedures as set forth in the Firm's Compliance and Supervisory Procedures as well as any additional procedures as set forth in the OSJ/branch Office Supervision and Supervisory Procedures. If the Firm is exempt from *SEC Rule 15c3-3*, the Firm should send back checks made out to a registered representative or the broker/dealer. ►►

Implementation Strategy

The Firm will operate under a (k)(2)(ii) exemption. As such, the Designated OSJ Manager will continuously monitor the Firm's activities to ensure that the Firm refrains from holding customer funds or securities. However, in the event that the Firm receives checks made payable to the clearing firm, the Firm will promptly forward all customer funds or securities to its designated clearing firm for processing. All documents will be properly documented and filed.

Restricted Trades Report

If applicable, the designated OSJ Manager should also conduct a daily review of the Firm's report of restricted trades to ensure compliance with current regulatory requirements and any additional requirements as specified by the Firm. The designated OSJ Manager should match daily securities transactions with any securities transactions specified on the Firm's Restricted List.

Trade Cancels/Corrects

It is the responsibility of the designated OSJ Manager to approve all trade cancels and corrects that occur at the OSJ and branch office location. In the process of reviewing trade cancels and corrects, the OSJ Manager should look for any unusual patterns of trading activity as well as the frequency and times of trade cancellations. ►►

Implementation Strategy

The designated OSJ Branch Manager will review trade blotters and error statements for patterns of prohibited activities or any potential violations of

securities rules and regulations. All relevant information shall be properly documented as evidence of review.

11.10 Review of Internal/External Exception Reports

Commission Reports

The designated OSJ Manager will review the Firm's commission reports for indication of excessive trading, unauthorized trading, and any other sales practice violations. ►►

Implementation Strategy

On a monthly basis, the Designated OSJ Branch Manager will review available commission reports to detect the presence of any potential excessive trading, unauthorized trading, or any other potential sales practice violations.

Clearing Firm Exception Reports

The OSJ Manager is responsible for reviewing all relevant exception reports from the designated clearing firm as part of the routine supervision of the OSJ and branch offices. ►►

Implementation Strategy

On a monthly basis, the Designated OSJ Branch Manager will review exception reports for any potential patterns of abuse or potential violations of securities rules and regulations. All exception reports used by the OSJ Branch location shall be properly documented and filed as evidence of review.

Note: The Firm's Home Office designated supervisor currently reviews all exception reports for the firm.

11.11 Communications with the Public

Incoming/Outgoing Correspondence

All OSJ Managers should be familiar with the Firm's policies and procedures regarding general correspondence. The following information details the Firm's procedures for the approval and review of all correspondence through the OSJ and/or branch office. ►►

Implementation Strategy

On a periodic, the designated OSJ Branch Manager will review an appropriate sample of incoming and outgoing correspondence for potential customer complaints or other indications of potential violations of securities rules. All OSJ Branch correspondence will be properly documented and filed as evidence of review.

Electronic Communications (E-Mail)

As part of the OSJ Manager's supervisory responsibility, the designated supervisor will adhere to the following procedures regarding the supervision of registered personnel's email. ►►

Implementation Strategy

On an ongoing basis, the designated OSJ Branch Manager will review and approve a representative sample of external electronic communications (e.g. email)

concerning the relevant OSJ Branch office. All email communications will be printed out and filed in the appropriate correspondence file or electronically stored in an appropriately labeled file on the firm's network server. Reviewed electronic communication will be properly documented and filed and evidence of review.

Advertising and Sales Literature

The following are the Firm's procedures for the use and distribution of Advertising and Sales Literature by the OSJ and branch offices. ►►

Implementation Strategy

On an ongoing basis, the Designated OSJ Branch Manager will review and forward such advertising and sales literature to the main office prior to use. All items of review will be retained in a central file with the date of review, type of advertising material, name of registered representative preparing such material, and the designated principal's signature or initial of approval. If necessary, such information will be submitted to the main office for forwarding the NASD Advertising Department ten (10) days prior to first use pursuant to *NASD Rule 2210*. Each review of correspondence, advertising and sales literature will be properly documented and filed as evidence of review.

11.12 General Sales Practice Violations

Inappropriate Activity and Customer Complaints

The designated OSJ branch manager will notify the main office at any time there is an indication that any registered representative at the OSJ or branch office is involved in any activity that is not consistent with fair and equitable principles of trade. This includes, but is not limited to, any evidence of securities manipulation, fraud, inappropriate conduct, harassment, or any other activity that violates any federal, state, statutory, or regulatory law, rule, or regulation. In the event the OSJ and/or branch office receives a customer complaint from one or more of the registered representatives assigned to the OSJ or branch office, the OSJ Manager is responsible for reviewing and forwarding all customer complaints to the main office for further investigation. A designated supervisor will review and initial each complaint as received.

Regulatory Inquiries

In the event of a formal or informal inquiry made by any federal, state, self-regulatory organization (SRO) or other regulatory authority, the designated OSJ and branch manager will be responsible for forwarding all calls or other requests to the compliance department or other appropriate department or authorized personnel for further review. ►►

Implementation Strategy

The Designated OSJ Branch Manager will review each customer complaint and determine if the complaint meets the criteria of one of the 10 reportable items requiring notification to the NASD through the 3070 system within ten (10) business days of receipt. If the complaint meets the criteria of a reportable event, the designated OSJ Branch manager will notify the main office for further investigation and resolution. If the complaint does not meet the criteria of one of the ten (10) reportable items, the designated principal will forward such information to the main office in order to file the complaint in the quarterly filing as prescribed in NASD Rule 3070. A review of each customer complaint will be evidenced by the date and initials of the Designated OSJ Branch Manager, and subsequently placed in the Firm's Customer Complaint file for future reference.

