

**MEMO# 1249**

July 5, 1989

## **ADVERTISING SUBCOMMITTEE MEETING - NASD SUPERVISORY PROCEDURES**

July 5, 1989 TO: SEC RULES COMMITTEE NO. 33-89 UNIT INVESTMENT TRUST COMMITTEE  
NO. 30-89 ADVERTISING SUBCOMMITTEE RE: ADVERTISING SUBCOMMITTEE MEETING -  
NASD SUPERVISORY PROCEDURES

On August 8, 1989 there will be a meeting of the Advertising Subcommittee at 10:00 a.m. at the Institute. At the last meeting of the Subcommittee, the recent amendments by the NASD to its rules on supervision were discussed. (A copy of the NASD Notice to Members describing the amended rules is attached.) At the meeting it was suggested that the Institute compile a list of the types of procedures that an investment company underwriter should have adopted under the supervision rules. It would help the Institute in compiling such a list if members could inform me of the types of procedures which they have adopted or suggest be adopted in response to the amended rules, such as procedures concerning internal inspections, annual review of registered representatives and updating the written procedures required under the rules. We intend to discuss supervisory procedures at the August 8 meeting. Therefore, I would appreciate hearing from members no later than July 21, 1989 so that I can circulate a tentative list before the meeting. Because the NASD requirement applies to other areas of your business in addition to advertising, persons on the SEC Rules and Unit Investment Trust Committees who are not also on the Advertising Subcommittee may wish to attend the meeting. Whether or not you will be able to attend the August 8 meeting, please return the attached form to Marie Stanley of the Institute by July 21, 1989. Amy Rosenblum  
Assistant General Counsel Attachments