



RENEWAL 2005 – IA Firms*

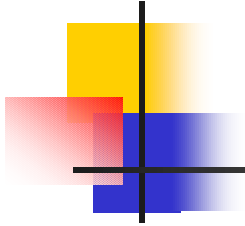
**Information contained in this presentation was derived, in part, from various NASD sources.*



What is the Renewal Program?

The Renewal Program is an annual process that enables Investment Adviser Firms, Broker/Dealers, and individuals to maintain an active registration and/or Notice Filing status in the coming year with the NASD, SROs, and jurisdictions in which they conduct business. The Renewal Program is processed on-line through Web CRD/IARD for:

- Investment Adviser Firms
- Investment Adviser Representatives (RAs).
- Joint Firms (Broker/Dealer and Investment Adviser Firms)
- Broker/Dealer Firms
- Broker/Dealer Agents (AGs)



ALL Transition Filing functionality is shutdown 6:00 p.m. ET on 10/30/04 and WILL NOT be available until 1/03/05. All licensed Investment Adviser (IA) firms and Investment Adviser Representatives (RA's) who filed in paper form should have transitioned on the Web CRDSM /IARDSM. If not, contact the state for Renewal instructions.



Key Renewal Dates

Last day to transition	October 30, 2004
Web CRD/IARD starts accepting post-dated forms	November 1, 2004
Preliminary Renewal Statement available on-line	November 8, 2004
Preliminary Renewal Statement payment deadline	December 6, 2004
Web CRD/IARD Shut Down	6 p.m. ET December 18, 2004 – January 2, 2005



Key Renewal Dates - Continued

Web CRD/IARD Firm Processing available including the transitioning of RA's	7 a.m. ET January 3, 2005
Final Renewal Statements available on-line	January 3, 2005
Final Renewal Statement payment deadline	February 4, 2005



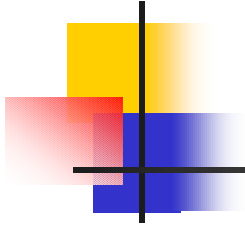
Please Note:

- Web CRD/IARD will accept **post-dated** termination forms on **November 1, 2004**. All Forms **U-5**, **Schedule E**, **BDW** and **ADV-W** must be dated **12/31/04**.
- **December 18, 2004 6:00 pm (ET)** is the deadline for submission of all electronic form filings (Including forms **U-4**, **U-5**, **BDW**, **Schedule E**, **ADV Part I**, **ADV Amendments** and **ADV-W**) via Web **CRD/IARD**.



Important Dates for IAs to Remember

- October 30, 2004 - Web CRD/IARD System shutdown for transitioning**
- November 8, 2004 - Preliminary Renewal Statements available for viewing and printing on-line**
- December 6, 2004 - Deadline for payments to be received by the NASD**
- December 18, 2004 - 6:00 pm (ET) Deadline for submission of all electronic filings via Web CRD/IARD**



Four Easy Steps to Renew (2005)



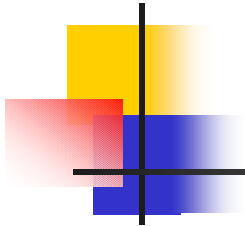
Four Easy Steps

- 1) Access and Print Preliminary Renewal Statement on-line
- 2) Reconcile Firm's Records with Preliminary Renewal Statement
- 3) Fund Renewal Account with Renewal and System Fees
- 4) Reconcile Firm's Records with Web CRD/IARD "Firm Renewal Report"

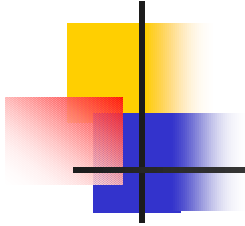


Steps One and Two

- 1) Access and Print Preliminary Renewal Statement on-line
- 2) Reconcile Firm's Records with Preliminary Renewal Statement

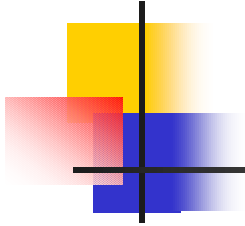


Prior to funding the firm's Renewal Account, you should print a copy of the Preliminary Renewal Statement which is available November 8, 2004 online through Web CRD/IARD. (A copy of the first page of this renewal statement **must** be sent with your renewal payment.) The Preliminary Renewal Statement displays a list of renewal fees owed as of the close of business November 5, 2004.

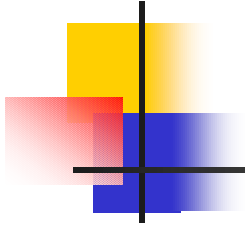


Please reconcile the firm's records with the total amount owed on the Preliminary Renewal Statement and account for all jurisdictions in which you have filed. If there is a discrepancy, please contact the jurisdictions directly.

Please Note: If full payment of the Preliminary Renewal Statement is not received by NASD, the firm will incur a "Failed to Renew" status.



If you have not transitioned your IA firm, a Preliminary Renewal Statement will not be generated for your firm. If you have transitioned your firm but have not transitioned your RAs, the Preliminary Renewal Statement will not reflect the renewal fees for your firm's RAs.



Preliminary Renewal Statements for both IAs and BD/IAs will be available to view on Web CRD/IARD on **November 8, 2004**. Joint Broker/Dealer and Investment Adviser Firms will receive a **combined** statement that is accessible through either system, Web CRD/IARD.



The Preliminary Renewal Statements include the following Renewal fees:

Investment Adviser Only Firms

- 1) Investment Adviser (“IA”) Renewal & System Fees
- 2) Investment Adviser Representative (“RA”) Renewal & System Fees

BD/IA Firms

All of the above plus the following:

- 1) Broker/Dealer Renewal & System Fees
- 2) Agent Renewal & System Fees



How to View Preliminary Renewal Statement

- Log on the Web CRD/IARD System
- You may access the Preliminary Renewal Statement either through the CRD Site Map or IARD Site Map.
To access the IARD site map, type:
<https://www.webiard.com/iad>.
- Input User ID and Password
(If your Password has expired or you do not have your User ID available, please contact IARD Hotline at **(240) 386-4848** to obtain User ID and reset Password.)

Where do firms find their Renewal Statements?

From the CRD or IARD Site Map, firms click the Renewal Statement hyperlink.

Accounting
Daily Account Information
Processed Transactions
Funds Deficient Transactions
Account Activity Summary
Deposit Detail
Transfer Detail
Transaction Detail
Bill Line Search
Renewal Account Information
Renewal Statement
Account Activity Summary
Deposit Detail
Transfer Detail
Transaction Detail
Bill Line Search

Web CRD Central Registration Depository					
CRD Main Forms Individual Organization Accounting Reports					
LOG OFF Web IARD Site Map User Info Admin Tools					
CRDMain	Forms	Individual	Organization	Accounting	Reports
User Info	Blank Form	View Individual	View Org	Daily Account	Home
Blank Forms	Blank U4 Form	Individual Search	Organization Search	Processed Transactions	Glossary
Broadcast Messages	U4 Instructions	Disclosure Only Individual Search	Organization Queues	Funds Deficient Transactions	Request Report
Terms and Conditions	Blank U5 Form	Non-Filing Info	Current Deficiencies	Account Activity Summary	View Report
FAQ	U5 Instructions	NFI Individual Search	SFG Retirement	Deposit Detail	
Release Notes	Blank BD Form	IARD Transition Registration Search	Withdrawal or Termination	Transfer Detail	
Recommended Hardware/Software	Blank BDW Form	Firm Queues	Queue Totals	Transaction Detail	
Send Comments	U4 Form	Continuing Education	Non-Filing Info	Bill Line Search	
Admin Tools	Create New U4 Filing	Approaching CE Requirement	NFI Organization Search	Renewal Account	
Change Password	Initial	CE 2-Year Termed	Mass Transfer	Renewal Statement	
	Amendment	CE Inactive	Mass Transfers List	Account Activity Summary	
	Concurrence	CE Satisfied		Deposit Detail	
	Page 2 Amendment for Schedule A/B			Transfer Detail	
	Page 2 Initial for			Transaction Detail	

Sample Preliminary Statement (B/D-IA Firm) (IA only Firms Statements appear slightly different.)

2003 (Test Data) Preliminary Statement

CRD Number :	
Organization Name:	DWARDS & SONS, INC.
Balance As Of:	7/3/2002 9:58:55 AM
Contact:	
Contact Phone #:	
Statement Generated:	11/2/2002
Summary	
CRD Charges	\$8,933,681.00
IARD Charges	\$8,858.00
Total Charges:	\$8,942,539.00
Amount Due:	\$8,942,539.00

PAYMENT IN FULL REQUIRED BY DECEMBER 6, 2002.

US Mail and Express Delivery:

Make check payable to NASD, print and mail first page of this statement with payment.

Send payment to:	
(US Mail)	NASD, CRD-IARD PO Box 7777-W8705 Philadelphia, PA 19175-8705
(Express Delivery)	NASD, CRD-IARD W8705 c/o Mellon Bank, Rm 3490 701 Market Street Philadelphia, PA 19106

New Payment Option Now Available - Web CRD/IARD E-Pay:

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 6, 2002**, payment must be submitted electronically, no later than 8:30 p.m. (ET), on December 4, 2002.

Combined statement for the following annual fees:

(1)	NASD 2003 Web CRD/IARD System Processing and NASD Branch Office Fees.
(2)	NYSE, AMEX, CBOE, ISE, PCX and PHILX 2003 Maintenance Fees for Registered Personnel.
(3)	Jurisdiction 2003 Agent Renewal Fees.
(4)	Jurisdiction 2003 Broker/Dealer Renewal Fees.
(5)	Jurisdiction 2003 Investment Adviser Representative Renewal Fees.
(6)	Jurisdiction 2003 Investment Adviser Firm Renewal Fees.

DO NOT ADJUST THIS STATEMENT:

The AMOUNT DUE 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 6, 2002**. For additional renewal information (i.e., wiring instructions), Broker/Dealers may visit the NASD web site at <http://www.nasdr.com/> and Investment Advisers firms may visit the Investment Adviser Registration Depository web site at <http://www.iard.com/>.

SPECIAL NOTICE TO NASD MEMBERS:

If payment is NOT received by the December 6, 2002 payment due date, your firm will be assessed a **RENEWAL PAYMENT LATE FEE**. This Late Fee will be included as part of your 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. Please see Notice to Members (NtM) 02-48 for details.

Additionally, beginning with the 2003 renewal season, NASD Personnel Assessment fees will no longer be assessed through the Renewals Program. NASD Finance will mail a separate billing to all NASD members during 1st quarter 2003. Please see NtM #02-41 for more details.

CRD Charges

Charge	Quantity	Unit Price	Amount
Renewal/Maintenance Fees (Jurisdictions, SROs)	1		\$8,586,851.00
NASD System Processing Fee:	9631	\$30.00	\$288,930.00
NASD System Processing Fee at no charge:	0	\$0.00	\$0.00
NASD Personnel Assessment:	9551	\$0.00	\$0.00
NASD Personnel Assessment at no charge:	0	\$0.00	\$0.00
NASD Branch Office Fees:	772	\$75.00	\$57,900.00
NASD Branch Office Fees at no charge:	0	\$0.00	\$0.00
Total CRD Charges:			\$8,933,681.00

Regulator	# of Individuals	Individual Fee	Total Individual	Firm Fee	Regulator Total
AMEX	9428	\$47.00	\$443,116.00	\$0.00	\$443,116.00
BSE	10	\$0.00	\$0.00	\$0.00	\$0.00
CBOE	9464	\$55.00	\$520,520.00	\$0.00	\$520,520.00
CHX	11	\$0.00	\$0.00	\$0.00	\$0.00
NYSE	9598	\$52.00	\$499,096.00	\$0.00	\$499,096.00
PHILX	9462	\$50.00	\$473,100.00	\$0.00	\$473,100.00
PCX	9437	\$55.00	\$519,035.00	\$0.00	\$519,035.00

Sample Preliminary Statement - Continued

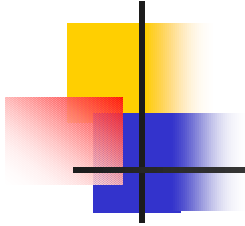
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AMEX	9428	\$47.00	\$443,116.00	\$0.00	\$443,116.00
BSE	10	\$0.00	\$0.00	\$0.00	\$0.00
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CHX	11	\$0.00	\$0.00	\$0.00	\$0.00
NYSE	9598	\$52.00	\$499,096.00	\$0.00	\$499,096.00
PHLX	9462	\$50.00	\$473,100.00	\$0.00	\$473,100.00
PCX	9437	\$55.00	\$519,035.00	\$0.00	\$519,035.00

AL	1986	\$50.00	\$99,300.00	\$200.00	\$99,500.00
AK	838	\$75.00	\$62,850.00	\$250.00	\$63,100.00
AZ	4058	\$40.00	\$162,320.00	\$300.00	\$162,620.00
AR	1676	\$75.00	\$125,700.00	\$300.00	\$126,000.00
CA	6007	\$0.00	\$0.00	\$75.00	\$75.00
CO	3927	\$13.00	\$51,051.00	\$60.00	\$51,111.00
CT	2515	\$50.00	\$125,750.00	\$150.00	\$125,900.00
DE	856	\$50.00	\$42,800.00	\$250.00	\$43,050.00
DC	1310	\$45.00	\$58,950.00	\$250.00	\$59,200.00
FL	6148	\$40.00	\$245,920.00	\$200.00	\$246,120.00
GA	3822	\$40.00	\$152,880.00	\$100.00	\$152,980.00
HI	946	\$70.00	\$66,220.00	\$220.00	\$66,440.00
ID	1107	\$20.00	\$22,140.00	\$100.00	\$22,240.00
IL	4543	\$75.00	\$340,725.00	\$300.00	\$341,025.00
IN	2718	\$25.00	\$67,950.00	\$125.00	\$68,075.00

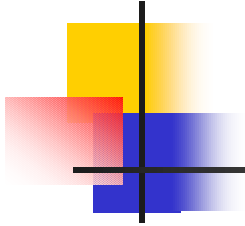
IARD Charges

Charge	Quantity	Unit Price	Amount
Renewal Fees (Jurisdictions)	1		\$7,508.00
IARD Firm System Processing Fee:	0	\$0.00	\$0.00
RA System Processing Fee:	30	\$45.00	\$1,350.00
Total IARD Charges:			\$8,858.00

Regulator	# of Ind. with Renewal Fee	Renewal Fee	# of Ind. with Renewal Discount Fee	Renewal Discount Fee	Total Ind. Fee	Firm Registration Fee	Firm Notice Filing Fee	Regulator Total
AL	0	\$50.00	1	\$50.00	\$50.00	\$0.00	\$200.00	\$250.00
AK	0	\$75.00	0	\$75.00	\$0.00	\$0.00	\$250.00	\$250.00
AR	0	\$75.00	4	\$75.00	\$300.00	\$0.00	\$300.00	\$600.00
CA	0	\$0.00	3	\$0.00	\$0.00	\$0.00	\$125.00	\$125.00
CO	0	\$13.00	1	\$13.00	\$13.00	\$0.00	\$60.00	\$73.00
CT	0	\$50.00	3	\$50.00	\$150.00	\$0.00	\$150.00	\$300.00
DE	0	\$50.00	0	\$50.00	\$0.00	\$0.00	\$250.00	\$250.00
DC	0	\$45.00	1	\$45.00	\$45.00	\$0.00	\$250.00	\$295.00
GA	0	\$0.00	0	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00
ID	0	\$20.00	0	\$20.00	\$0.00	\$0.00	\$100.00	\$100.00
IL	0	\$75.00	5	\$75.00	\$375.00	\$0.00	\$200.00	\$575.00
IN	0	\$25.00	1	\$25.00	\$25.00	\$0.00	\$0.00	\$25.00
IA	0	\$30.00	1	\$30.00	\$30.00	\$0.00	\$100.00	\$130.00
KS	0	\$50.00	2	\$50.00	\$100.00	\$0.00	\$100.00	\$200.00
KY	0	\$50.00	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ME	0	\$40.00	0	\$40.00	\$0.00	\$0.00	\$100.00	\$100.00
MD	0	\$50.00	2	\$50.00	\$100.00	\$0.00	\$300.00	\$400.00
MA	0	\$50.00	0	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00
MN	0	\$0.00	0	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00



Firms are assessed registration renewal fees based on the number of *Approved Agents* and *Approved or Transitioned Investment Adviser Representatives* and firm *Approved, Notice Filed* and *Transitioned* registrations as of the creation of the statement on November 6, 2004. Any approvals granted after this date will not have a renewal fee assessed to the firm until generation of the Final Renewal Statement.

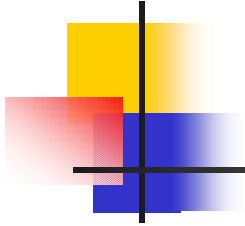


(The Final Renewal Statement is available for viewing and printing on-line on January 3, 2005 and replaces the firm's Preliminary Renewal Statement. The Final Renewal Statement displays a list of renewal fees owed or renewal fees that have been overpaid by a firm based on the Preliminary Renewal Statement.)



Step Three

3) Funding Renewal Account with
Renewal and System Fees



If you are an Investment Adviser Only Firm, the Preliminary Renewal Statement will include the following fees:

- IA Firm Renewal Fees for each State*
- IARD Firm System Processing Fee** - \$100.00 for any State Registered IA
- RA Renewal Fees for each State*
- RA System Processing Fee - \$45.00 for each RA

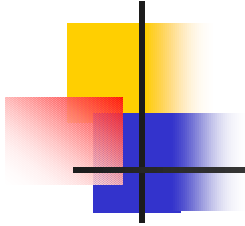
***Charts showing every State's IA firm and RA fees can be found at <http://www.iard.com/fees.asp>**



If you are a BD/IA Firm, the Preliminary Renewal Statement will include the following fees:

- IARD Firm System Processing Fee** - \$100.00 for any State Registered IA (Plus State Renewal fees)
- RA System Processing Fee - \$45.00 for each IA Rep (RA) (plus State Renewal Fees)
- Broker/Dealer State Renewal Fees*
- Registered Representative (AG) State Renewal Fees*
- CRD System Processing Fee - \$30.00 per Registered Representative (AG)

* A chart showing every State's B/D and AG fees can be found at http://www.nasdr.com/3400_fees.asp



** SEC Notice Filers are not required to submit the IARD system processing fees with their renewal payment. The IARD system processing fees for SEC Notice Filing Firms are not included on their Preliminary Renewal Statement. These fees will be assessed at the time they file their **Annual Amendment** with the SEC.

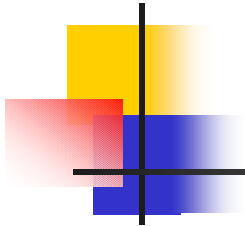


Methods of Payment

Renewal payment can be made via:

- Web CRD/IARD E-Pay
- Wire Transfer
- Check
- Transfer from Daily to Renewal Account

IA Firms should submit both Renewal Fees and System Fees directly to NASD for deposit to their **Renewal Account**.



Please Note: Failure to remit both System and Renewal fees from the Preliminary Renewal Statement for State Registrants will result in partial payment which will incur a “Failed to Renew” status for firms. A “Failed to Renew” status will result in the RAs associated with that firm to be terminated on 12/31/2004.

The following **Renewal Payment** addresses are DIFFERENT than the payment addresses for a firm’s Daily Account.



Web CRD/IARD E-Pay

Firms are able to fund their Renewal Accounts through a user-friendly on-line application, Web CRD/IARD E-Pay.

- Firms may access this application through the IARD website at <http://www.iard.com>. NASD will not charge a fee for utilizing this application. However, firms should verify with their bank whether any ACH transaction charges will be assessed.
- In order for funds to be posted to a firm's Renewal account by December 6, 2004, payment must be submitted electronically no later than 8:30 p.m. ET on December 2, 2004.



Wire Transfer

Firms may wire full payment of the Preliminary Renewal Statement by requesting their bank to initiate the wire transfer to: “Mellon Financial, Philadelphia, PA”. Firms will need to provide their bank with the following information:

Transfer Funds to: Mellon Financial, Philadelphia, PA
ABA Number: 031 000 037
Beneficiary: NASD
NASD Account #: 8-234-353
Reference #: Firm CRD Number and the word, “Renewals”

To ensure prompt processing of Renewal Payment by wire transfer:

- Firms should inform their bank that funds are to be credited to the NASD Bank Account
- Provide the Firm’s CRD Number and the word, “Renewals” as a reference only
- Firms should record the Confirmation Number of the wire transfer given by their bank



Check

BY MAIL

NASD, CRD/IARD

P.O. Box 7777-**W8705**

Philadelphia, PA 19175-8705