

Update

Third Quarter '99

SEC Grants Exemption From Rule 15c2-11 For Securities Being Removed From The OTCBB Pursuant To The NASD Eligibility Rule

On June 3, 1999, the Securities and Exchange Commission (SEC) issued a letter granting an exemption from Rule 15c2-11 for securities that were quoted on the OTC Bulletin Board® (OTCBB) on or before January 4, 1999, and will no longer be eligible to be quoted on the OTCBB due to the implementation of National Association of Securities Dealers, Inc. (NASD®) Rule 6530 (the Eligibility Rule). A copy of the SEC's letter of approval is available on the OTCBB Web site at www.otcbb.com. From the homepage, click on the "Eligibility Rule" button in the OTCBB News section. Then click on the headline titled, "211 Exemption Granted to Securities Removed from OTCBB Due to Eligibility Rule (June 10, 1999)."

The exemption granted by the SEC will permit broker/dealers to publish or submit quotations in other quotation media, including the National Quotation Bureau's Pink Sheets, subject to the following conditions:

- A broker/dealer must have in its records the information specified in paragraphs (a)(5)(i), (a)(5)(ii), and (a)(5)(viii) of Rule 15c2-11;
- The security was quoted in the OTCBB from January 4, 1999, until the date of its removal;
- The NASD has appended the covered security's symbol to indicate that it is not compliant with Rule 6530; and
- A broker/dealer must have published quotations in the security in the OTCBB on at least 12 business days during the preceding 30 calendar days, with no more than four consecutive business days without quotations.

The exemption to Rule 15c2-11 will expire when the implementation of the Eligibility Rule is complete in June 2000. To publish or submit quotations for a security pursuant to this exemption, a broker/dealer must comply with NASD Rule 6740, and must complete and mail the Exemption Form to:

OTC Compliance Unit
NASD Regulation, Inc.
9513 Key West Avenue
Rockville, MD 20850
or fax to (301) 978-2065

The form must be received by the OTC Compliance Unit during the 30- or 60-calendar day period commencing after the "E" is appended to the security symbol reflected on the OTCBB.

If you have questions regarding the exemption to Rule 15c2-11, please call the OTC Compliance Unit at (301) 978-2100.

OTCBB Eligibility Rule Schedule Modified

To alleviate certain computer system issues associated with the high number of system changes at the beginning of the month, the OTCBB has decided to split the issuers scheduled to phase-in each month into two groups.

Currently, issuers are phased in alphabetically on the first of each month. Under the new schedule shown below, the monthly groupings of issuers scheduled for phase-in each month will remain the same, but will be processed in two different intervals. The list of issuers to be phased-in will be sorted by alphabetical order of the symbol (as of January 4, 1999), with the first 50% of the issuers to be processed on

the first Monday of the month, and the second 50% to be processed on the third Monday of the month.

The simplicity of the revised schedule is that similar events generally take place on the same day of the week, so it should make it easier to anticipate changes and plan schedules. For example, non-compliant issues to be appended with an "E" are posted to the Daily List on Mondays and effective deletions take place Thursdays. Unless there is a holiday, the modified schedule leaves Wednesdays open to allow the vendors adequate time to process symbol changes. Therefore, there will not be a situation where system changes relating to two different phase-in groups (e.g., adding E's for

one group and processing deletions for another) will need to be processed on the same day.

A complete version of the revised phase-in schedule is located on the OTCBB Web site at www.otcbb.com. From the homepage, click on the "Eligibility Rule" button in the OTCBB News section. Then click on the headline titled, "Modified Eligibility Rule Phase-In Schedule." *NASD Notice to Members 99-76* was sent to all members to advise them of the modifications to the schedule. Questions or comments regarding the new schedule can be directed to Liz Heese at (202) 728-8191.

Eligibility Rule Implementation Schedule

<u>Month</u>	<u>Group</u>	<u>Daily List Add "E"</u>	<u>Effective Add "E"</u>	<u>Daily List Antic. Deletions</u>	<u>Daily List Remove "E"</u>	<u>Eligibility Determination</u>	<u>Effective Deletion/Rem. "E"</u>
October	BJ - CH	T 9/7	M 9/13	F 10/1	W 10/6	Th 10/7	F 10/8
	CI - CT	M 9/20	F 9/24	F 10/15	T 10/19	W 10/20	Th 10/21
November	CU - EE	M 10/4	F 10/11	F 10/29	T 11/2	W 11/3	Th 11/4
	EF - FL	M 10/18	F 10/22	F 11/12	T 11/16	W 11/17	Th 11/18
December	FM - GS	M 11/1	F 11/5	W 11/24	T 11/30	W 12/1	Th 12/2
	GT - IG	M 11/15	F 11/19	F 12/10	T 12/14	W 12/15	Th 12/16
January	IH - KA	M 12/6	F 12/10	Th 12/30	T 1/11	W 1/12	Th 1/13
	KB - MD	M 12/20	M 12/27	F 1/4	T 1/18	W 1/19	Th 1/20
February	ME - NA	M 1/10	F 1/14	F 2/4	T 2/8	W 2/9	Th 2/10
	NB - OR	M 1/24	F 1/28	F 2/18	W 2/23	Th 2/24	F 2/25
March	OS - PR	M 2/7	F 2/11	F 3/3	T 3/7	W 3/8	Th 3/9
	PS - RZ	T 2/22	M 2/28	F 3/17	W 3/22	Th 3/23	F 3/24
April	SA - SQ	M 3/6	F 3/10	F 3/31	T 4/4	W 4/5	Th 4/6
	SR - TN	M 3/20	F 3/27	F 4/14	T 4/18	W 4/19	Th 4/20
May	TO - VG	M 4/3	F 4/7	F 4/28	T 5/2	W 5/3	Th 5/4
	VH - ZZ	M 4/17	M 4/24	F 5/12	T 5/16	W 5/17	Th 5/18
June*	AA - HZ	M 4/10	F 4/14	F 6/2	T 6/6	W 6/7	Th 6/8
	IA - ZZ	M 4/24	F 4/28	F 6/16	T 6/20	W 6/21	Th 6/22

*All banks and insurance companies

OTCBB Eligibility Rule Status

The following statistics reflect the status of the Eligibility Rule implementation from July 1999 to September 1999.

Phase In Group	Total Number of Issuers	Pass	Fail (Add "E")	Came into Compliance During Grace Period	Delisted Issuers	Outstanding Registration Statements (Form 10 or Other)
July (A - AD)	93	29	64	13	51 (55%)	8
August (AE - AO)	177	38	139	18	121 (68%)	24
September (AP - BI)	269	71	198	28	170 (63%)	15

Future Enhancements To The OTCBB

OTCBB Market Makers and issuers can get excited about upcoming enhancements to the OTCBB in the next release of the Integrated Quotation Management System (IQMS), currently scheduled for first quarter 2000. The changes to the OTCBB will be primarily to the display of OTCBB securities information on the Nasdaq Workstation II® (NWII™).

After IQMS implementation, when an OTCBB symbol is entered into NWII, these enhancements to OTCBB security information will be available:

- A dynamic quote display will mean users no longer have to refresh the screen to view updated quotes.

- Subscribers will be able to use the Market Minder for all OTCBB securities.
- Subscribers will be able to use Ticker(s) for all OTCBB securities.
- The use of a numeric "3" in front of the symbol will be optional. NWII will retrieve a quote in an OTCBB security if a subscriber enters a security symbol with or without a "3." The Market Maker montage will clearly identify that the quote is for an OTCBB security.

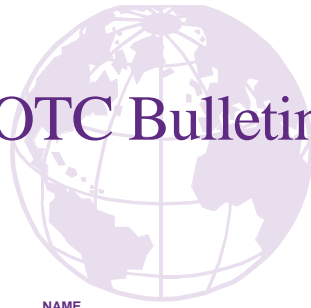
Some of the additional functionality scheduled for future releases of IQMS are simultaneous OTCBB registration and quote,

OTCBB phone number query and maintenance, and OTCBB current position summary report. Additionally, all price entries (quotes, trades, etc.) will be in decimals. Price fields (quotes, trades, etc.) will be limited to a total of four places to the right of the decimal and six places to the left of the decimal (e.g., 123456.1234). This is a change from the current 6.6 format.

Stay tuned to future articles of the *OTCBB Update* for more information on changes to the OTCBB, or for questions regarding the upcoming changes to OTCBB, please call Liz Heese at (202) 728-8191.

OTC Bulletin Board - Top 100 Issues August 1999

AVERAGE DAILY VOLUME



SYMBOL	NAME	SHARE VOLUME	DOLLAR VOLUME	CLOSE PRICE 8/31/99	SYMBOL	NAME	SHARE VOLUME	DOLLAR VOLUME	CLOSE PRICE 8/31/99
MVEE	1ST MIRACLE GROUP INC	16148372	719040	0.03	IMTI	IMAGYN MED TECH INC	697577	26127	0.05
BICO	BIOCONTROL TECH INC	14258484	1897328	0.12	RPIX	ROYAL PICTURES INC	696381	247204	0.19
MPTV	MPTV INC	10988612	222278	0.02	ENCR	ENCOUNTER.COM INC	671408	198082	0.2
HDOG	HEAVENLY HOT DOGS INC NEW	7968329	83024	0.008	ECNC	ECONNECT	671158	159693	0.37
CDNO	CONS CAPITAL NORTH AMERICA INC	5770457	342667	0.03	PINC	PLANET CITY CORP NEW	667616	449618	0.87
ARET	AMERIRESOURCE TECHNOLOGIES INC	5700179	198937	0.02	TALL	IVP TECHNLOGY CORP (NEW)	664558	158641	0.15
QPRC	QUEST PRODUCTS CORP	5442315	272058	0.03	NYRR	NEW YORK REGIONAL RAIL CORP	635081	412202	0.69
AUMYE	AUNT MYRAS INC	5323873	196363	0.02	HCCA	HEALTHCARE CENTERS OF AMER	632458	24708	0.03
PABN	PANAMERICAN BANCORP	4762568	218381	0.03	GBFE	GOLDEN BOOK FAMILY ENT INC	628641	187591	0.2
EUTO	EUTRO GROUP HOLDING INC	4716872	106737	0.01	ANTM	ANTENNAS AMERICA INC	609455	81944	0.16
LOCH	LOCH HARRIS INC	3962331	750657	0.16	MDMI	MASSIMO DA MILANO INC	588500	87941	0.13
CLSI	CLANCY SYS INTL INC	3512105	100859	0.02	ECPS	ECLIPSE CORPORATION	588490	5407	0.009
TTRIF	THERMO TECH TECH INC	3151943	262248	0.06	JNNE	JONES NAUGHTON ENTMT INC	575704	245173	0.45
TSIG	TELESERVICES INTERNET GRP INC	3070699	169816	0.05	PWRE	OCEAN POWER CORP	571228	190835	0.29
GAAY	TRIANGLE BROADCASTG CO INC NEW	2663841	524147	0.17	VALH	VALUE HOLDINGS INC	565928	81491	0.15
STRU	STRUTHERS INC	2609557	377929	0.12	APPIE	ADVANCED PLANT PHARMCTCLS	56212	28964	0.05
PCBM	PINNACLE BUSINESS MNGMNT INC	2540737	390944	0.21	CLWK	CLEARWORKS.NET INC	543495	3528455	5.03
DRYD	DRY DAIRY INTERNATIONAL INC	2486638	78705	0.03	NSKY	NEW SKY COMMUNICATIONS INC	539886	16181	0.02
DRGI	DIVERSIFIED RES GRP INC	2040071	236219	0.14	SPAZ	SPATIALIZER AUDIO LABS INC	537702	256474	0.47
ORXX	OREX GOLD MINES CORP	1941691	245107	0.13	GNEN	GENERATION ENTERTNMNT CORP	524798	61145	0.1
ADGI	AMERICAN DIVERSIFIED GROUP INC	1872183	42650	0.02	NUTK	NUTEK INC	514502	142551	0.3
CHES	CHESTER HLDGS LTD	1790101	201220	0.11	ENZH	ENZYMES AMERICAN HOLDING CORP	511648	5376	0.009
SNMM	STARNET COMMUNICAT INTL INC	1604080	12112370	5.21	ETPI	ENTERTAINMENT TECHN&PROGS INC	509301	155878	0.28
AREE	ARETE INDUSTRIES INC	1588558	23218	0.01	NBET	NETBET INC	503749	48441	0.09
EPEA	E-PRIME AEROSPACE CORP	1585770	45494	0.02	TRKR	TRACKER CORP OF AMERICA	496663	134081	0.22
SFAD	SAFE TECHNOLGS INTL INC	1542723	38206	0.02	MDHM	MEDINAH MINING INC	492790	126214	0.28
VLVT	VELTEX CORP	1489657	733582	0.65	AQCIE	AQUATIC CELLULOSE INTL CORP	489304	145970	0.29
ADOT	ADVANCED OPTICS ELECTRONCS INC	1366904	427433	0.41	IMDS	IMAGING DIAGNOSTIC SYSTEM INC	485932	107607	0.17
ABRG	AMBRA RESOURCES GROUP INC	1329923	71710	0.04	TRKN	TRIKON TECH INC	485423	169408	0.34
NCTI	NCT GROUP INC	1312298	268848	0.18	NPEC	NP ENERGY CORP NEW	482717	31115	0.05
EDIG	E DIGITAL CORP	1299345	2116013	1.56	VECT	VECTOR ENERGY CORP	464246	1251344	2.75
SNTS	SANI-TECH INDS INC	1210684	9074	0.007	USVO	U S A VIDEO INTERACTIVE CORP	462897	413438	0.84
HOPR	HOLLY HOLDINGS INC	1195624	11084	0.009	NIGI	NIGHTWING GROUP INC	459569	21403	0.04
OKOK	OKLAHOMA ENERGY CORP	1162089	39548	0.03	WAMA	WATERMARC FOOD MGMT CO	455906	18093	0.02
VCRI	VENCOR INC	1136450	89921	0.08	WRDP	WORLDPORT COMMUNICATIONS INC	449689	541728	0.59
ICOA	ICOA INC	1115746	221278	0.15	ACCR	ACCESS POWER INC	448603	229922	0.58
KAHI	KAIRE HOLDINGS INC	1106499	132410	0.11	TXCI	TOTALACCESS.COM INC	430858	210653	0.45
SYCD	SYCONET.COM INC	1105078	1464956	1.75	NESS	NESS ENERGY INTL INC	419097	1140620	2.93
ATREE	APPLETREE CO INC	1102249	17770	0.01	DMEC	DIAMOND ENTERTAINMENT CORP	418528	46544	0.1
ITHC	INTERGRATED HEALTHCARE INC	1095881	76203	0.08	NBMX	NATIONAL BOSTON MED INC	413961	133261	0.3
IINN	INTL INTERNET INC	1081981	82452	0.07	GOTKQ	GEOTEK COMMUNICATIONS INC	395122	7923	0.01
BOSTQ	BOSTON CHICKEN INC	1014747	349092	0.35	EBAS	EBASEONE CORPORATION	388289	239373	0.71
BISN	BIOSONICS INC	892713	26842	0.02	CLVE	CLASSICVISION ENTRTNTMNT INC	384740	93029	0.2
NVXE	NEW VISUAL ENTERTMNT INC	876679	462841	0.79	TNRG	TIANRONG BLDNG MATRL HLDGS LTD	382829	74757	0.13
BNEZ	BEN EZRA WEINSTEIN & CO	847360	73285	0.09	CATV	CHANNEL AMERICA BROADCAST INC	379955	3665	0.007
HABE	HABER INC	787586	56029	0.06	SIDT	SI DIAMOND TECHNOLOGY INC	379950	732681	2.04
PLRP	PACEL CORP	783860	147554	0.13	ERHC	ENVIRONMENTAL RMDTN HLDG CORP	378661	24133	0.04
TXMC	TIREX CORP (THE)	782283	40977	0.05	CJMT	C J M TEAM CORP	362796	69066	0.15
CTKT	CETEK TECHNOLOGIES INC	752276	53261	0.05	TEXN	21ST CENTURY TECHNOLOGIES INC	358860	37972	0.11
SHCC	SARATOGA INTL HLDGS CORP	709740	127527	0.14	BAATE	B A T INTERNATIONAL INC	354162	37487	0.08

SOURCE: NASDAQ TRADING & MARKET SERVICES

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Form 211 Application Information

OTC Compliance Unit
(301) 978-2100

Symbol Change, Name Change, or Stock Split

Market Data Integrity
(203) 375-9609

Using the OTCBB Service

Market Operations
(203) 378-0284

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