

OTC Bulletin Board®

Update

Third Quarter 2000

Welcome to the New OTCBB

Congratulations and welcome to the new OTC Bulletin Board® (OTCBB)! The phase-in of the Eligibility Rule was completed on Thursday, June 22, 2000, so now investors have access to financial information and other materials about issuers of all OTCBB securities.

Maintaining Your Status as an OTCBB Issuer

The National Association of Securities Dealers, Inc. (NASD®) will continue to monitor the filing status of each company on the OTCBB. When the NASD determines that a company is delinquent in a filing, an "E" will be appended to the trading symbol of every class of stock that company has quoted on the OTCBB for approximately 30 days. After 30 days, if the NASD has not received notification that the issuer has met its filing requirements, its stock(s) will be removed from the OTCBB.

The OTCBB would like to remind all market participants that in order to monitor banks, insurance companies, foreign issuers, and all other issuers that **do not file electronically with the Securities and Exchange Commission (SEC)** for compliance with the Eligibility Rule (NASD Rules 6530 and 6540), the OTCBB Filings Department must receive hard copies of these issuers' annual and quarterly filings. Please send all hard copy filings to the following location:

OTCBB Filings
9801 Washingtonian Blvd.
5th Floor
Gaithersburg, MD 20878

Please note that it is not necessary to send hard copy filings for issuers that file electronically with the SEC through the EDGAR system.

Improving the OTCBB Marketplace

Through the implementation of the Eligibility Rule, the NASD has improved the level of information available regarding issuers on the OTCBB. Now, we will focus on improving the quality of the market itself through new trading rules and regulations.

For example, on Monday, June 26, 2000, trade and quote halt authority was implemented in the OTCBB. The NASD is authorized to halt trading in OTCBB stocks in specific circumstances. All trade halt notifications in OTCBB securities are posted in the Trade Halt section of the OTCBB website.

Furthermore, the SEC recently approved an amendment to the Three Quote Rule and is considering an NASD proposal to establish a pilot program for Limit Order Protection.

Please see the OTCBB website at www.otcbb.com for further information on these initiatives to improve market quality. ■

NASD Board Approves Automated Order Delivery System for OTCBB

On Thursday, October 5, 2000, the NASD Board approved the creation of an automated order delivery system for the OTCBB. Over the past few years, the OTCBB has experienced significant growth despite its lack of automation. Increased trading activity in this market and the accompanying operational difficulties have led the NASD to believe that it is appropriate to provide an automated order delivery system for the OTCBB. The system will be built to accept priced liability orders only (an order that a market participant is generally required to fulfill in order to satisfy its firm quote obligations). Users of the system will be able to enter, cancel, correct, accept, decline, and execute full or partial orders. The system will be made available to eligible NASD member firms.

When OTCBB trading volume began to increase dramatically in December 1999, NASD RegulationSM staff began to receive

numerous complaints from individual investors claiming that their OTCBB orders were taking hours or even days to be executed, by which time markets may have moved significantly. Complaints also arose from member firms saying that other firms were failing to answer phones during market hours and that markets were often locked or crossed. These problems all emanate from the manual nature of the OTCBB—where all order delivery, communication, and negotiation between firms regarding an OTCBB trade is done via telephone.

Since January 1999, the OTCBB has initiated several measures intended to improve this market for investors:

- The Eligibility Rule, approved in January 1999 and fully implemented in June 2000, restricts eligible issuers to those that are fully registered and current in reporting obligations to the SEC or other regulatory authorities;

- Limited Trade Halt Authority, implemented in June 2000, authorizes the NASD to impose quotation and trading halts in OTCBB securities in certain circumstances where it is necessary to protect investors and the public interest; and
- Limit Order Protection (currently awaiting SEC approval) which will prohibit member firms from trading ahead of customer limit orders in designated OTCBB securities.

The NASD now believes that it is appropriate to provide an automated order delivery system for the OTCBB to enable market participants to contact each other electronically to send and execute orders and increase execution speed of customer orders, which in turn should provide a better opportunity for best execution. More information will be provided through future communications. If you have any questions, please contact Liz Heese, Assistant Product Manager, at (202) 728-8191. ■

Status Update for OTCBB

Initiative	Status
Trade and Quote Halt Authority in OTCBB	Implemented on June 26, 2000
New Minimum Quote Tier Sizes Proposal	Implemented on September 5, 2000
Three Quote Rule Proposed Amendments	Approved by the SEC on September 21, 2000; Effective in mid-November 2000 with information available on otcbb.com
Automated Order Delivery System for OTCBB	Approved by NASD Board on October 5, 2000
OTCBB Limit Order Protection Pilot	Being reviewed by the SEC

SEC Approves Minimum Quotation Size Requirements for OTC Equity Securities

On Friday, August 18, 2000, the SEC approved an NASD-proposed rule change relating to the minimum quotation size requirements for over-the-counter (OTC) equity securities entered into the OTCBB or any other inter-dealer quotation system that permits quotation updates on a real-time basis (e.g., the Electronic Pink Sheets). The approved amendments to Rule 6750, which became effective on Tuesday, September 5, 2000, established four additional tier sizes for OTC securities quoted at prices in excess of \$200 per share, thus replacing the previously established discretionary authority of certain Nasdaq® officers to modify the minimum quotation sizes for these securities.

All subject securities must now be quoted in compliance with this rule modification and any tier size modifications previously made by Nasdaq are now ineffective. Under the new rule change, the minimum quote size for shares priced between:

- \$0 and \$0.50, is 5,000 shares;
- \$0.51 and \$ 1.00, is 2,500;
- \$1.01 and \$10.00, is 500;
- \$10.01 and \$100.00, is 200;
- \$100.01 and \$200, is 100;
- \$200.01 and \$500, is 25 shares;
- \$500.01 and \$1000, is 10 shares;
- \$1000.01 and \$2500, is 5 shares; and
- \$2500.01 and up, is 1 share.

If you have any questions regarding this rule amendment, please contact Liz Heese, at (202) 728-8191, or Nasdaq Office of General Counsel at (202) 728-8294. ■

Eligibility Rule Phase-In Complete

The OTCBB Eligibility Rule Phase-in, which began on July 1, 1999, was completed on Tuesday, June 22, 2000.

During the phase-in, the OTCBB reviewed every company whose securities were quoted on it for compliance with the new filing requirements. As a result, the following occurred:

- 5,601 issuers were reviewed.
- 2,414 (43%) were eligible for continued quotation.
- 3,187 (57%) were not eligible for continued quotation and were removed from the OTCBB.

- As of September 12, 2000, 269 (8.4%) of the 3,187 ineligible issuers subsequently met the Eligibility Rule requirements and are now quoted on the OTCBB again.

Please direct any questions regarding the Eligibility Rule to Liz Heese at (202) 728-8191, or Nasdaq Office of General Counsel at (202) 728-8294. ■

What's Happening @OTCBB.com

Quotes for OTCBB Securities Now Available on the OTCBB Website

Delayed quotes for OTCBB securities are now available on the OTCBB website, at www.otcbb.com. For each security, site users are able to obtain, on a 15-minute delayed basis:

- **Bullet Quotes**—includes the inside bid and ask prices and cumulative share volume for the current trading day. In addition, the current day's high, low, and last sale values are available, along with the previous day's closing price and percentage change from that price.
- **The Board**—the bid and ask price and size for each market participant currently quoting the security on the OTCBB.

To access this information, enter one or more OTCBB trading symbols, separated by spaces, in the "Get A Quote" box on the OTCBB homepage and click on the View button. As a future enhancement, otcbb.com will enhance the delayed quotes feature by offering 52-week highs and lows, and the charting of prices and share volume.

Site Redesign in the Works

The OTCBB website is currently being redesigned to have a new look and feel. (See a preview of the home page, below.) Completion is expected in the fourth quarter of this year. One of the new features that will help users will be a search function. The site search will provide a quicker and more user-friendly approach to navigating the site.

Three New Market Statistics Reports

The following reports became available through the Market Statistics section of the site in September 2000:

- **Additions Profile**—for the previous calendar month, see a list of new OTCBB securities with summary activity data for each issue from the addition date through the end of the month, including closing price on the addition date, closing price at month-end, percent change in closing price, average daily share volume and average daily dollar volume.
- **OTCBB Graduation List**—provides a list, updated daily, of OTCBB securities which were deleted due to the issue listing on Nasdaq, AMEX, or NYSE. The list will contain a rolling year of securities, and will include OTCBB deletion date, issue symbol, issue name, exchange or Nasdaq market class, and market value if available.
- **Performance by Price Level Report**—displays share volume, number of advancing securities, number of declining securities, and number of unchanged securities for the previous trading day by price level.

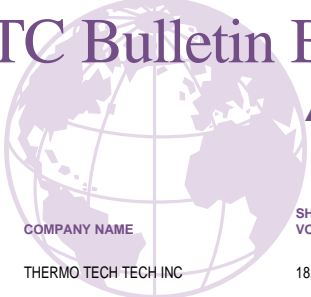
Please direct any questions regarding these website changes to Liz Heese at (202) 728-8191. ■



Coming Soon: New OTCBB Home Page

OTC Bulletin Board – Top 100 Issues September 2000

AVERAGE DAILY VOLUME



SYMBOL	COMPANY NAME	SHARE VOLUME	DOLLAR VOLUME	CLOSE PRICE 9/29/2000	SYMBOL	COMPANY NAME	SHARE VOLUME	DOLLAR VOLUME	CLOSE PRICE 9/29/2000
TTRIF	THERMO TECH TECH INC	18,995,936	\$1,628,491	0.0625	ITEC	IMAGING TECHNOLOGIES CORP	705,065	\$232,497	0.28
ARET	AMERIRESOURCE TECHNOLOGIES INC	13,749,627	\$538,821	0.035	PLSO	PLUS SOLUTIONS INC	702,581	\$104,501	0.14
BICO	BIOCONTROL TECH INC	12,102,493	\$1,779,815	0.1266	PTSC	PATRIOT SCIENTIFIC CORP	699,563	\$995,558	1.2
MPTV	MPTV INC	9,414,250	\$288,963	0.0279	GTMI	GLOBAL TELEMEDIA INTL INC	672,033	\$390,143	0.58
PCBM	PINNACLE BUSINESS MNGMNT INC	9,112,000	\$1,102,662	0.103	IINN	INTL INTERNET INC	669,647	\$72,432	0.095
IFTP	INFOTOPIA INC	7,072,800	\$4,875,346	0.51	SHPH	SHAMAN PHARM INC NEW	662,458	\$70,488	0.088
TSRG	TRANS ENERGY INC	6,659,031	\$678,928	0.085	HICS	HYDROGIENE CORP	656,885	\$272,598	0.29
LOCH	LOCH HARRIS INC	6,515,053	\$4,431,459	0.505	EDIG	E DIGITAL CORP	654,415	\$3,585,934	4.28125
AREE	ARETE INDUSTRIES INC	3,504,714	\$133,940	0.0295	PNWC	PNW CAPITAL INC	642,019	\$52,592	0.1
UVGI	UNITED VENTURES GROUP INC	3,413,802	\$299,999	0.0625	SSCP	STEREOSCAPE.COM INC	616,214	\$1,703,630	2.5
STWW	STAMPEDE WORLDWIDE INC	3,163,046	\$432,222	0.111	FEVI	FAR EAST VENTURES INC	611,032	\$392,999	0.57
AXGI	AUXER GROUP INC (DE) THE	2,962,035	\$314,696	0.075	RPAPF	REPAP ENTERPRISES CORP	605,529	\$81,003	0.128
ADGI	AMERICAN DIVERSIFIED GROUP INC	2,267,508	\$480,587	0.175	HVST	HARVEST CAP CORP	586,839	\$38,443	0.06
BHAS	BACH-HAUSER INC	2,251,813	\$957,332	0.385	SVCDQ	SERVICE MERCHANDISE CO INC	564,142	\$71,023	0.125
ARYN	ARCHER SYS INC	2,139,776	\$79,699	0.027	NYRR	NEW YORK REGIONAL RAIL CORP	553,101	\$114,804	0.205
RTEK	RUBBER TECHN LG INTL INC	1,972,524	\$624,580	0.285	OKOK	OKLAHOMA ENERGY CORP	551,768	\$111,996	0.17
NCTI	NCT GROUP INC	1,960,300	\$638,299	0.31	WRDP	WORLDPORT COMMUNICATIONS INC	551,663	\$3,288,774	7.1875
QNET	QUEST NET CORP	1,799,328	\$178,768	0.087	ACCR	ACCESS POWER INC	550,080	\$154,785	0.24
ADVR	ADVANCED VIRAL RESEARCH CORP	1,754,606	\$974,531	0.49	GLCP	GREENLAND CORPORATION	545,294	\$120,664	0.135
SFAD	SAFE TECHNOLGS INTL INC	1,739,963	\$88,609	0.037	GSTXQ	GST TELECOMMUNICATIONS INC	543,829	\$20,246	0.034
FONX	FONIX CORP	1,717,793	\$1,600,687	0.815	HIVC	HIV-VAC INC	527,172	\$75,958	0.0925
KAHI	KAIRE HOLDINGS INC	1,558,002	\$307,061	0.16	PRAV	PARADIGM ADV TECHN LGS INC	525,293	\$1,813,417	2.76
ABRG	AMBRA RESOURCES GROUP INC	1,400,650	\$112,554	0.057	DMEC	DIAMOND ENTERTAINMENT CORP	518,067	\$16,247	0.028
VALH	VALUE HOLDINGS INC	1,376,344	\$279,631	0.146	CCAA	CALA CORP	516,877	\$121,089	0.2
IBUI	INTERNET BUSNSS INTL INC	1,345,731	\$306,813	0.155	NHTC	NATURAL HEALTH TRENDS CORP.	513,452	\$40,862	0.08
TXMC	TIREX CORP (THE)	1,291,100	\$404,867	0.28	JOCK	SPORTSPRIZE ENTERTAINMENT INC	509,197	\$138,573	0.165
VCSY	VERTICAL COMPUTER SYSTEMS NEW	1,256,646	\$341,706	0.1875	DYGN	DYNAGEN INC.	494,367	\$158,085	0.275
FTET	FIRST ENTERTNMT HLDGS CRP(NV)	1,244,471	\$96,037	0.06	AFTC	AMERICAN FILM TECHN LGS INC	486,887	\$37,726	0.07
ATTP	AFFORDABLE TLCMNS TECH CORP	1,207,702	\$263,266	0.145	INCE	INTERCELL CORP NEW	486,261	\$33,865	0.06
WTAI	WORLD TRANSPORT AUTHORITY INC	1,112,558	\$817,042	0.7	DNTK	DAUPHIN TECHNOLOGY INC	483,089	\$1,884,035	4.15625
LRCM	LEARNCOM INC	1,097,014	\$43,399	0.027	ADOT	ADVANCED OPTICS ELECTRONCS INC	474,629	\$226,066	0.43
GUCO	GRAND UNION COMPANY (THE)	1,056,745	\$273,153	0.16	EPMO	EPROMO.COM	471,109	\$1,051,561	0.74
CLSI	CLANCY SYS INTL INC	1,030,618	\$53,480	0.043	TTLN	TOTAL ENTERTAINMENT INC	470,813	\$151,270	0.265
ATEG	AMERICAN TECHNOLOGIES GROUP	995,043	\$174,696	0.21	WTHL	WHITEHALL ENTERPRISES INC	467,630	\$49,099	0.101
NRPI	NATIONAL REHAB PROPERTIES	983,894	\$54,300	0.04	SPST	SPENCER'S RESTAURANTS INC	467,594	\$15,302	0.035
TSER	ETRAVELSERVE.COM INC	942,609	\$113,884	0.09	QDXC	QUADRAX CORPORATION NEW	464,617	\$49,293	0.07
EPEA	E-PRIME AEROSPACE CORP	926,739	\$66,181	0.06	TCMV	TCOM VENTURES CORPORATION	450,513	\$195,847	0.38
MYIQ	EDULINK INC	874,833	\$89,776	0.085	IFOS	INTL FOAM SOLUTIONS	441,941	\$146,511	0.26
ENET	EQUALNET COMM CORP	864,358	\$40,057	0.024	TRDY	TRUDY CORP	423,211	\$7,110	0.0135
FASC	FIRST AMERI SCIENTIFIC CORP	848,576	\$112,498	0.1025	SATX	SATX INC	416,650	\$239,425	0.5
ASRG	ASPEN GROUP RES CORP	838,878	\$284,393	0.3125	XPOR	EXPLORE TECHNOLOGIES INC	409,171	\$120,015	0.46
MHTX	MANHATTAN SCIENTIFICS INC	831,522	\$3,453,200	3.28125	PLCO	PLAY CO TOYS & ENTERTAINMNT CP	406,562	\$133,964	0.265
BAOA	BAOA INC	823,784	\$20,242	0.023	VTCO	VIRTUAL TECHN LG CORP	403,551	\$33,762	0.055
CHIP	LS CAPITAL CORP	822,742	\$13,928	0.01351	TREY	TREASURY INTL INC	402,394	\$56,733	0.13
TVCP	TALK VISUAL CORP	776,993	\$337,465	0.36	USXP	UNIVERSAL EXPRESS INC	400,343	\$47,133	0.085
IMDS	IMAGING DIAGNOSTIC SYSTEM INC	753,353	\$2,250,969	2.8125	AIGI	ADAIR INTL OIL & GAS INC	392,166	\$241,156	0.53
HMYRQ	HEILIG MEYERS CO	734,353	\$122,440	0.17	PHYC	PHYCOR INC	389,082	\$46,899	0.1
BBAN	BROADBAND WIRELESS INTL CORP	721,296	\$153,495	0.145	ZKEM	XECHEM INTL INC	386,979	\$35,663	0.075
CGPN	CYBER GRP NTEK CORP (THE)	719,288	\$84,889	0.095	ECAR	U S ELECTRICAR INC	371,321	\$147,397	0.37
CHCL	CHINA CONTINENTAL INC	712,072	\$102,046	0.12	VDOT	VIRTUALSELLERS.COM INC	369,422	\$430,615	0.82

SOURCE: NASDAQ TRADING & MARKET SERVICES

OTCBB Securities Available for Quoting in Decimals

OTCBB securities are currently available for quoting in decimals. Market participants may choose whether to enter their OTCBB quotes in either fractions or decimals. However, OTCBB quotes will be required to be in decimals only after

April 2001. On Monday, April 24, 2000, Nasdaq's order routing system, Aces Pass-ThruSM, began to accept orders with decimal pricing via computer-to-computer interface (CTCI) for OTCBB issues. Please note, Aces Pass-Thru delivers orders and executions in the same format

(decimal or fraction) in which it receives them.

For more information about Aces Pass-Thru, please contact Karen Peterson, Nasdaq Product Development, at (212) 858-4137. ■

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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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