

Automated Order Delivery System for OTCBB Securities To Be Filed with the SEC

In the next few weeks, the National Association of Securities Dealers, Inc. (NASD®) will submit a filing to the Securities and Exchange Commission (SEC) for approval to create an automated order delivery system for the OTC Bulletin Board® (OTCBB). This system would accept directed limit and directed marketable limit orders for OTCBB securities.

The need for such a system has arisen due to increased trading activity in this market, and the accompanying regulatory concerns and operational difficulties. OTCBB trading activity has grown from 41 million shares and less than 7,000 trades a day in 1995, to 312 million shares and 53,000 trades a day in 1999. Due to the wealth of information about over-the-counter (OTC) issuers and securities available on the Internet, and the growth of online trading by individual investors, OTCBB trading activity continues to increase.

Approved by the NASD Board on October 5, 2000, the primary objectives of the proposed order delivery system and execution system for the OTCBB are:

- to increase the execution speed of customer orders, which, in turn, should provide a better opportunity for best execution;
- to provide automated communication between market participants to send orders and execute orders; and,
- to complement the changing volume and trading behavior in the OTCBB, and to provide the infrastructure necessary to enact new rules aimed at investor protection.

Other features of the system include:

- Users of the system would be able to enter, cancel, correct, accept, decline, and execute full or partial orders.
- Order recipients would receive a “pop-up window” with notification of receipt of a liability order.
- In turn, they could respond with partial executions, as long as the order is not designated as All-or-None (AON). Orders would not be automatically executed.
- The system would operate from 8:30 a.m. to 6:30 p.m., Eastern Time (ET); however, there would be no liability outside the normal market hours of 9:30 a.m. to 4:00 p.m., ET.
- In order to update the automated order delivery system, the OTCBB would have dynamically updated quotes.

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The system would be made available to NASD member firms classified as Market Makers or order-entry firms and participation would be voluntary. It would be

accessible via Nasdaq Workstation II® (NWII™) and an application programming interface (API).

The OTCBB will continue to communicate with all participants regarding SEC approval and

implementation plans. If you have any questions, please contact Liz Heese, Assistant Product Manager, at (202) 728-8191 (lisabeth.heese@nasdaq.com). ■

OTCBB Enhancements Coming in January

In January 2001, participants will see enhancements to the OTCBB on NWII regarding Unsolicited Quotes and Correspondent Positions.

- Priced Unsolicited Quotes will be included in the inside calculations. An Unsolicited Quote is a bid/offer accompanied by a modifier to reflect unsolicited customer interest. When this type of quote has a price, it should be included in the inside.

For OTCBB issues that can have firm quotes, an inside is calculated only when there are at least two firm and two-sided priced quotations for the issue. When there are less than two qualified markets, there will be no inside quote.

- Like Nasdaq® Market Makers, OTCBB Market Makers will be able to have a correspondent position (for example, when a Market Maker holds a position for an order-entry firm).

Testing Availability

Weekday testing has been scheduled for Unsolicited Quote Updates.

Weekday testing on the API/computer-to-computer interface (CTCI) Subscriber Test System is available from 9:30 a.m. to 11:00 p.m., ET, on Monday, Tuesday, and Wednesday of each week, as of Monday, December 11, 2000. Testing will continue each week until the implementation of the new enhancements in January of 2001.

To schedule a weekday test, firms should call the API/CTCI Subscriber Testing Center at (800) 288-3783. Please leave a message with a contact name and phone number. A testing coordinator will call you back to finalize the time/date schedules and testing arrangements for your firm.

If you have any questions, please contact Liz Heese, Assistant Product Manager, at (202) 728-8191 (lisabeth.heese@nasdaq.com), or Market Operations at (800) 219-4861. ■

Status Update for OTCBB Initiatives

Initiative	Status
Three Quote Rule Proposed Amendments	Implemented November 15, 2000
OTCBB Limit Order Protection Pilot	Expected Launch in First Quarter 2001
Decimalization	April 9, 2001
Automated Order Delivery System for OTCBB	Being submitted to the SEC

OTCBB Decimalization Changes

The OTCBB is currently scheduled to move to decimals for quoting and trade reporting on April 9, 2001. As a result, the following changes will occur:

Quotations

Quote updates for the OTCBB will not be restricted by a minimum price value (MPV). Like today, participants will be able to enter quotes up to the maximum allowable decimal places regardless of the whole dollar amount. Only the following price edits will be enforced:

- Ten characters (including decimal point) will be the maximum allowed.
- No more than six whole digits will be allowed.
- No more than four decimal places will be allowed.

- If the dollar amount exceeds five digits, only three decimal places will be allowed.
- Prices less than \$1.00 must include a zero to the left of the decimal point.

Price formats will be modified to allow a lowest price entry of \$0.0001 and a highest price entry of \$999,999.999.

As of April 9, 2001, all prices must be entered in decimal format. Fractions will be rejected.

Trade Reporting

Currently, Nasdaq's Automated Confirmation Transaction ServiceSM (ACTSM) supports a modified decimal format (known as TMTR) that allows for limited reporting of decimals. This format will be eliminated and full support for decimal entries up to six decimal places will be implemented.

Trade Dissemination

For media dissemination of trade reports (last sale dissemination), all decimalized OTCBB and other OTC securities will be disseminated as entered in the ACT system up to four decimal places.

- ACT will apply a 5/4 rounding rule to decimal prices greater than four decimal places (i.e., if the fifth decimal is greater than or equal to five, round the fourth decimal up by one; if the fifth decimal is less than or equal to five, truncate after the fourth decimal. For example, \$8.12345 equals \$8.1235, and \$8.12544 equals \$8.1254.)

Decimal-related questions should be directed to the NASD Decimalization Program Management Office (DPMO) at (888) 227-1330, or decimals@nasd.com. For more information on decimalization, please refer to NASD *Notice to Members 00-06*. ■

2001 Holiday Schedule

Holiday	Date
New Year's Day	Monday, January 1, 2001
Martin Luther King, Jr.'s Birthday (Observed)	Monday, January 15, 2001
President's Day	Monday, February 19, 2001
Good Friday	Friday, April 13, 2001
Memorial Day	Monday, May 28, 2001
Independence Day	Wednesday, July 4, 2001
Labor Day	Monday, September 3, 2001
Thanksgiving Day	Thursday, November 22, 2001
Christmas Day	Tuesday, December 25, 2001

What's Happening @OTCBB.com

New Design for Our Website

You may have noticed recently that www.otcbb.com has a new look and feel. On December 6, 2000 the OTCBB launched a redesigned website. The new site has all the same information as the old site, but with new navigation. The main navigation buttons are now listed on the left, while the site utility links—**Home, Contacts, Email, Site Map, and Help**—are situated at the top left in the masthead. In addition, for your convenience, we have moved the links to **Daily List, Today's Changes, and Trade Halts** up to the masthead so that they will be accessible from every page.

The main site navigation now provides a new level of detail. When you click on a button in the menu, the sub-navigation within that area of the site will be displayed as sub-buttons under the main button so that you can see what is available at a glance. When you click on one of these sub-buttons, you go directly to that page. In addition, links provided in each section have been divided into

TRADING ACTIVITY REPORTS
MARKET MAKER PRICE MOVEMENT
TRADE & QUOTE SUMMARY
TIME & SALES REPORT
INSIDE QUOTE REPORT
RESEARCH REPORTS & SERVICES
REPORT KEYS & SAMPLES
NASDAQ REPORT SOURCE
OTCBB NEWS
MARKET STATISTICS
INVESTOR INFORMATION
ISSUER INFORMATION
VENDOR INFORMATION
ALL ABOUT OTCBB

New Navigation Menu



New otcbb.com Homepage

Also now available on the homepage are daily summaries of **Gainers** and **Losers**, lists of the 10 securities with the greatest percentage price increase and decrease, respectively, for the previous day. Additionally, when you want to get quote information about an OTCBB security, you can enter the symbol on the homepage and select to view either a **Bullet Quote**—basic information including the inside bid and ask, or **The Board**—a detailed rundown including the quotes of all market participants in the security.

Available Soon: Links to OTCBB Issuers' Websites

In the next release, the OTCBB website plans to introduce the ability to link directly to the websites of OTCBB issuers. By clicking on an issuer's symbol, users will be linked to the homepage of the issuer's website. If you have questions about our website or would like to provide us with a URL for an OTCBB issuer's website, please email Liz Heese, Assistant Product Manager at lisabeth.heese@nasdaq.com, or call (202) 728-8191. ■

two categories—**On This Page** and **Related Items**. **On This Page** provides a list of links to content on the current page, while **Related Items** will link take you to another area within our site or another website.

Top 100 OTC Bulletin Board Issues November 2000

AVERAGE DAILY SHARE VOLUME



SYMBOL	COMPANY NAME	SHARE VOLUME	DOLLAR VOLUME	CLOSE PRICE 11/30/2000	SYMBOL	COMPANY NAME	SHARE VOLUME	DOLLAR VOLUME	CLOSE PRICE 11/30/2000
BIKO	BICO INC	21,665,634	\$1,391,978	0.06	UTDT	UNITED TRADING.COM NEW	610,518	\$166,296	0.11
TTRIF	THERMO TECH TECH INC	18,642,755	\$592,725	0.0201	MPEG	INNOVACOM INC	600,726	\$92,166	0.09
MPTV	MPTV INC	12,623,173	\$400,647	0.02	EDIG	E DIGITAL CORP	598,717	\$2,004,349	2.53125
AMJY	AMERICAN JEWELRY CORP	10,890,427	\$270,636	0.014	KLYS	KELLY'S COFFEE GROUP INC	583,028	\$21,361	0.032
PCBME	PINNACLE BUSINESS MNGMNT INC	10,374,246	\$653,339	0.051	NSKY	NEW SKY COMMUNICATIONS INC	580,512	\$13,065	0.016
IFTP	INFOTOPIA INC	7,734,886	\$1,210,855	0.111	MJXC	MAJESTIC CO'S LTD (THE)	577,163	\$27,559	0.0352
ARET	AMERIRESOURCE TECHNOLOGIES INC	4,223,434	\$110,941	0.0182	DNTK	DAUPHIN TECHNOLOGY INC	549,128	\$1,286,577	1.78125
ARYN	ARCHER SYS INC	3,696,201	\$89,257	0.0199	ATTP	AFFORDABLE TLMNS TECH CORP	545,865	\$73,190	0.07
AREE	ARETE INDUSTRIES INC	2,571,994	\$59,655	0.0165	SATX	SATX INC	543,026	\$104,242	0.11
TRDY	TRUDY CORP	2,363,407	\$23,591	0.0094	EUGS	EUROGAS INC	507,547	\$166,498	0.34
TSRG	TRANS ENERGY INC	2,282,631	\$217,985	0.07	GUCO	GRAND UNION COMPANY (THE)	502,881	\$20,941	0.04
ECNC	ECONNECT	2,120,052	\$2,352,364	0.61	AQCB	AQUA CLARA BOTTLING & DIST INC	490,068	\$42,131	0.063
MYIQ	EDULINK INC	2,071,936	\$81,056	0.0315	APPI	ADVANCED PLANT PHARMCTCLS	486,854	\$39,194	0.072
CGPN	CYBER GRP NTEK CORP (THE)	2,061,044	\$642,515	0.225	LSATA	LIBERTY SATELLITE & TECH CL A	484,341	\$2,092,646	2.25
IBUI	INTERNET BUSNSS INTL INC	1,735,357	\$199,965	0.109	PLRP	PACEL CORP	475,530	\$23,945	0.043
BHAS	BACH-HAUSER INC	1,640,683	\$276,752	0.09	LOWGQ	LOEWEN GROUP INC	475,375	\$67,631	0.0475
FTET	FIRST ENTERTNMT HLDGS CRP(NV)	1,605,180	\$47,361	0.0151	SVCDQ	SERVICE MERCHANDISE CO INC	471,432	\$27,971	0.047
NCTI	NCT GROUP INC	1,564,176	\$484,806	0.24	FTLAQ	FRUIT OF THE LOOM LTD CL A	463,191	\$144,119	0.252
VCSY	VERTICAL COMPUTER SYSTEMS NEW	1,506,763	\$281,677	0.103	PFCK	PEACOCK FINL CORP	460,404	\$28,330	0.051
EPEA	E-PRIME AEROSPACE CORP	1,471,717	\$53,115	0.033	SHOY	SHONEY'S INC	456,822	\$178,832	0.6
ADVR	ADVANCED VIRAL RESEARCH CORP	1,464,628	\$512,593	0.26	LRCM	LEARNCOM INC	454,370	\$8,606	0.013
AIPN	AMERICAN INTL PETRO CP	1,274,305	\$299,332	0.19	WTHL	WHITEHALL ENTERPRISES INC	446,982	\$37,725	0.052
MFLE	MAGELLAN FILMED ENTMT INC	1,263,445	\$24,777	0.013	SPST	SPENCER'S RESTAURANTS INC	443,923	\$11,882	0.018
SFAD	SAFE TECHNOLGS INTL INC	1,232,467	\$38,914	0.024	HITT	HITSGALORE.COM INC	432,043	\$18,565	0.032
ADGI	AMERICAN DIVERSIFIED GROUP INC	1,186,482	\$160,851	0.105	HICS	HYDROGIENE CORP	428,130	\$42,496	0.08
NRPI	NATIONAL REHAB PROPERTIES	1,143,892	\$30,116	0.016	PHYC	PHYCOR INC	425,013	\$46,435	0.065
AXGI	AUXER GROUP INC (DE) THE	1,120,777	\$66,618	0.05	ACCR	ACCESS POWER INC	418,272	\$67,825	0.125
ABRG	AMBRA RESOURCES GROUP INC	1,057,997	\$61,661	0.04	CHCL	CHINA CONTINENTAL INC	410,828	\$38,242	0.085
FONX	FONIX CORP	1,027,229	\$657,546	0.465	ASRG	ASPEN GROUP RES CORP	380,550	\$66,192	0.145
TXMC	TIREX CORP (THE)	960,184	\$155,862	0.135	NYRR	NEW YORK REGIONAL RAIL CORP	377,856	\$51,919	0.149
ITEC	IMAGING TECHNOLOGIES CORP	958,083	\$144,444	0.097	TMGS	MURDOCK GRP CAR SAT CORP (THE)	373,367	\$37,647	0.055
ACEN	AMERICAN COMMNCTNS ENT INC	952,757	\$153,409	0.1	VALH	VALUE HOLDINGS INC	371,233	\$44,925	0.105
DYGN	DYNAGEN INC.	934,923	\$207,591	0.2	GONT	GO ONLINE NETWORKS CORP	366,124	\$43,710	0.095
KAHI	KAIRE HOLDINGS INC	889,772	\$182,998	0.13	UREC	URECOATS INDUSTRIES INC	364,904	\$303,261	0.55
TVCP	TALK VISUAL CORP	867,159	\$152,565	0.095	PWIN	PLAYANDWIN INC	355,866	\$38,175	0.075
QPRC	QUEST PRODUCTS CORP	862,517	\$58,942	0.0475	IDNW	IDIAL NETWORKS INC	349,222	\$135,036	0.15
OKOK	OKLAHOMA ENERGY CORP	857,595	\$83,765	0.075	LAWW	LEGALOPINION.COM	348,287	\$57,137	0.09
VTCO	VIRTUAL TECHN LG CORP	829,611	\$16,999	0.016	GHVIQ	GENESIS HEALTH VENTURES INC	347,641	\$31,093	0.075
IIMC	INTERNET MULTI MEDIA CORP	827,733	\$375,619	0.21	FURRW	FURR'S REST GRP INC WT 1/2/01	346,349	\$875	0.0015
VDOT	VIRTUALSELLERS.COM INC	821,077	\$1,056,800	0.85	AQCI	AQUATIC CELLULOSE INTL CORP	345,153	\$62,557	0.145
CLSI	CLANCY SYS INTL INC	793,547	\$17,914	0.018	WAST	WASTEMASTERS INC	344,945	\$46,184	0.11
PENC	PEN INTERCONNECT INC	743,026	\$47,927	0.05	ADVC	ADVANCED COMM TECH INC	338,792	\$216,195	0.49
KKRS	KANAKARIS WIRELESS	713,612	\$320,534	0.235	VRDE	VERIDIEN CORP	337,578	\$28,256	0.065
CPLVV	C P & L ENERGY CVO 3/15/07 W/I	702,504	\$337,730	0.52	IMDS	IMAGING DIAGNOSTIC SYSTEM INC	334,072	\$607,607	1.62
TLSP	TELESPECTRUM WORLDWIDE INC	687,872	\$300,168	0.59375	CLRT	CELERITY SYSTEMS INC	333,811	\$53,169	0.095
TSER	ETRAVELSERVE.COM INC	664,333	\$45,245	0.051	PRAV	PARADIGM ADV TECHN LGS INC	328,469	\$478,793	1.5625
SSCP	STEREOSCAPE.COM INC	658,234	\$37,275	0.044	INCE	INTERCELL CORP NEW	328,016	\$19,803	0.051
SHPH	SHAMAN PHARM INC NEW	648,326	\$30,147	0.032	IECS	INDUSTRIAL ECOSYSTEMS INC	323,200	\$28,614	0.055
HRZIQ	HARNISCHFEGER INDUSTRIES INC	618,802	\$79,939	0.1	AFTC	AMERICAN FILM TECHN LGS INC	322,652	\$7,597	0.015
FASC	FIRST AMERI SCIENTIFIC CORP	617,923	\$45,261	0.055	MAGC	MAGICINC.COM	322,140	\$57,381	0.12

SOURCE: NASDAQ TRADING & MARKET SERVICES

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Form 211 Application Information

OTC Compliance Unit
(240) 386-5100

Symbol Change, Name Change, or Stock Split

Market Data Integrity
(203) 375-9609

Using the OTCBB Service

Market Operations
(203) 378-0284

The OTC Bulletin Board Update is a quarterly publication which provides information on developments and policies affecting OTCBB Market Makers and issuers. The OTCBB welcomes your comments or suggestions for future issues.

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