

## Securities Industry Outlines Efforts for Smooth Transition Into Year 2000, September 1999

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## 'Tool Kit' Helps Public Learn About Industry's Y2K Readiness

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**Washington, DC, September 7, 1999** - The President's Council on Year 2000 Conversion, the Securities and Exchange Commission (SEC), the National Association of Securities Dealers (NASD), the Investment Company Institute (ICI), and the Securities Industry Association (SIA) joined today in outlining the extensive steps undertaken by Wall Street, the mutual fund industry, and regulators to ensure that it will be "business as usual" when the year 2000 arrives.

"The securities industry has been a leader in the United States in preparing for the Year 2000 date change," said John A. Koskinen, chair of the President's Council on Year 2000 Conversion. "The industry has successfully tested and re-tested its systems for Y2K compliance so that it is well-positioned to continue to provide investors with reliable service into the new millennium."

Securities and Exchange Commission Chairman Arthur Levitt said, "I am pleased to announce that all of the Commission's mission-critical computer systems are now Year 2000 compliant. As we enter the home stretch to the Year 2000, investors can rest assured that the SEC's computers are prepared for the new millennium. Also, I commend the industry for being resolute in its commitment to inoculate itself against the Y2K bug. This process has demonstrated that protecting investors and maintaining market integrity are the securities industry's top priorities."

"A top priority over the past several years has been to educate the 5,000-plus member firms of the National Association of Securities Dealers about the importance of Year 2000 readiness, and we have monitored our membership closely to ensure compliance," said Frank G. Zarb, NASD chairman and CEO. "We've also worked hard to make sure that the internal systems of the Nasdaq Stock Market and American Stock Exchange are up to the challenge of the Year 2000 transition. We feel confident that the integrity of our markets will be preserved and the investor will be protected."

"The mutual fund industry has devoted substantial effort to resolving Year 2000 issues in order to maintain investor confidence. The industry has been deeply involved in cross-industry compliance, testing, and information sharing. In addition, on January 1, 2000 and beyond, mutual fund investors and assets will continue to be protected by the unique and stringent regulatory requirements of the Investment Company Act of 1940," said ICI President Matthew P. Fink.

*Koskinen, and ICI President Matthew P. Fink (right to left) respond to questions from the press.*

"We are confident that trading activity will continue uninterrupted in the New Year," said Marc E. Lackritz, SIA's president. "During the last two years, securities firms, markets, and financial utilities have been checking, testing, and rechecking their computer systems to be ready for New Year's Day 2000. We also believe in planning for the unforeseen. Thousands of industry volunteers are developing comprehensive contingency plans, which include creating a coordination and communications center for the financial services industry and task forces to respond immediately should problems occur. For investors, our message is simple: Your accounts will remain safe and sound."

As part of their efforts to educate investors, the President's Council, SEC, NASD, ICI, and SIA developed a [Year 2000 Investor Kit](#). The kit will help investors prepare for the Year 2000 and includes tips, such as:

- Keep good records (an idea that makes good sense at any time);
- Stay informed about what their financial service providers are doing to become Y2K ready;
- Obtain any Year 2000 literature provided by their broker/dealers, mutual funds, investment advisers, or public companies they hold stock in;
- Invest for the long term and avoid changing their trading habits;
- Not worry about obtaining stock certificates; and,
- Check the Y2K readiness of their personal computers.

The kit also features a concise review of industry efforts to prevent Y2K computer problems; a list of frequently asked questions for investors; a Year 2000 checklist; and information on how to check personal computers and fax machines for potential Y2K problems. The public can access the "Year 2000 Investor Kit" through the NASD website: [http://www.nasdr.com/3600\\_inv\\_kit.htm](http://www.nasdr.com/3600_inv_kit.htm). Printed copies are available by calling 1-888-227-1330 or sending an email to [y2k@nasd.com](mailto:y2k@nasd.com). The kits have also been provided to securities firms for distribution to their clients.

Soundbites from Matthew Fink's remarks are also available.