

IMPORTANT NOTICE

National Securities Clearing Corporation



The Depository Trust &
Clearing Corporation

A#6506

P&S #6076

DATE: September 19, 2007

TO: ALL PARTICIPANTS

**ATTENTION: MANAGING PARTNER/OFFICER, OPERATIONS
PARTNER/OFFICER, COMPLIANCE OFFICER**

FROM: General Counsel's Office

**SUBJECT: Rule Filing Approval – (SR-NSCC-2007-11) Shortened
Settlement Cycle for As-of Fixed Income Transactions**

On September 19, 2007, the Securities and Exchange Commission (“SEC”) approved National Securities Clearing Corporation’s (“NSCC”) rule change to permit same day settlement of as-of fixed income transactions as more fully described below.

As was previously indicated in Important Notice A#6474 P&S#6044, dated July 2, 2007, this rule change will be implemented effective for trades matched and scheduled to settle on or after Friday, September 21, 2007.¹

Upon implementation, NSCC will amend its Procedure II so that as-of corporate, municipal and UIT (“CMU”) trades matched on or after their originally designated settlement date would be processed in CNS (if CNS-eligible) on the day they are submitted for comparison so long as they compare prior to the cut-off time established for same day settlement (currently, prior to 11:30 a.m.). (As-of trades not eligible for CNS processing will continue to settle on a trade-for-trade basis.) Trades that match after the designated cutoff will continue to be assigned a settlement date on the next business day.²

For operational details on these proposed changes, please refer to the above-referenced Important Notice.

The full text of the rule change may be obtained by visiting our web site at www.nsc.com.

Questions regarding the rule filing may be directed to John Petrofsky at (212) 855-7634. Questions regarding the implementation of this change may be directed to Edward Fanning at (212)855-7623.

Merrie Faye Witkin
Vice President and Deputy General Counsel

¹ For a copy of Important Notice A#6474 P&S#6044, dated July 2, 2007, please see: <http://www.nsc.com/impnot/notices/notice2007/a6474.pdf>.

² In addition, because these trades are effectively guaranteed upon comparison, risk associated with the trades will be mitigated through the existing component of the Clearing Fund formula, as set forth in Procedure XV, which is intended to mitigate the risk to NSCC associated with trades that are processed on a settlement cycle shorter than three days.