

IMPORTANT NOTICE

National Securities Clearing Corporation



A# 6551
P&S# 6121

Revised – see asterisk () item on attachment.*

DATE: December 21, 2007
TO: ALL PARTICIPANTS
ATTENTION: MANAGING PARTNER/OFFICER,
OPERATIONS PARTNER/OFFICER,
DIRECTOR OF OPERATIONS,
CHIEF FINANCIAL OFFICER
FROM: Paula Arthus, Managing Director, Relationship Management
SUBJECT: **2008 Fee Revisions**

NSCC's Operations and Planning Committee has approved fee revisions for 2008 to selected NSCC product lines, as described below. The NSCC fee adjustments affect Clearing Services, Wealth Management and Insurance business lines. These adjustments reflect NSCC's ongoing effort to "right-size" fees and create simplicity and transparency in NSCC's billing process. These fee adjustments are expected to reduce participant fees by \$113.8 million over the next year.

These changes include:

- Implementation of a restructured clearing fee model – shifting from the current solely transaction-based pricing structure to a methodology that combines the number of transactions processed with the value of those transactions.
- Fee reductions to ACATS services.
- Fee reductions to Wealth Management Service's Fund/SERV and Networking fees.
- Elimination of Insurance and Retirement Processing Services file fees.

The details of these revisions to NSCC's fees can be found on the attached 2008 NSCC Service Fee Revision document. Appropriate rule filings will be made with the Securities and Exchange Commission. Concurrent with the implementation of NSCC fee changes, DTC and FICC are also issuing Important Notices for fee changes (see DTC Important Notice B# 2743-07 and FICC Important Notice MBS199-07.) All fees (unless otherwise noted) are scheduled to become effective **January 2, 2008** for billing in February 2008.

If you have any questions regarding the fee revisions that will become effective in 2008, or would like to discuss the impact these changes will have to your firm's bill, please contact your Relationship Manager.



2008 NSCC Participant Fee Changes

Fee ID	Service	Existing Fee	Proposed Fee	Per
Wealth Management				
2287	Fund/SERV (Settling)	\$ 0.11	\$ 0.075	Per side, per order, or per transfer request
2361	Fund/SERV (Processing only)	\$ 0.11	\$ 0.075	Per side, per order, or per transfer request
2472	Networking - Activity	\$ 0.15	\$ 0.100	Per 100 records: Submitter will be charged per NSCC-accepted and NSCC-rejected input transaction or Recipients will be charged per NSCC-accepted transaction
2473	Networking - Position	\$ 0.15	\$ 0.100	Per 100 records: Submitter will be charged per NSCC-accepted and NSCC-rejected input transaction or Recipients will be charged per NSCC-accepted transaction
2474	Networking - Dividend	\$ 0.15	\$ 0.100	Per 100 records: Submitter will be charged per NSCC-accepted and NSCC-rejected input transaction or Recipients will be charged per NSCC-accepted transaction
2475	Networking - Broker Conversion	\$ 0.15	\$ 0.100	Per 100 records: Submitter will be charged per NSCC-accepted and NSCC-rejected input transaction or Recipients will be charged per NSCC-accepted transaction
2476	Networking - Fund Conversion	\$ 0.15	\$ 0.100	Per 100 records: Submitter will be charged per NSCC-accepted and NSCC-rejected input transaction or Recipients will be charged per NSCC-accepted transaction



2008 NSCC Participant Fee Changes

Fee ID	Service	Existing Fee	Proposed Fee	Per
2477	Networking - Account Maint	\$ 0.15	\$ 0.100	Per 100 records: Submitter will be charged per NSCC-accepted and NSCC-rejected input transaction or Recipients will be charged per NSCC-accepted transaction
2478	Networking - Share Aging	\$ 0.15	\$ 0.100	Per 100 records: Submitter will be charged per NSCC-accepted and NSCC-rejected input transaction or Recipients will be charged per NSCC-accepted transaction
2493	Networking - Standardized Data Reporting	\$ 0.15	\$ 0.100	Per 100 records: Submitter will be charged per NSCC-accepted and NSCC-rejected input transaction or Recipients will be charged per NSCC-accepted transaction

Insurance Services

2449	File Transmission, Asset Pricing	\$ 15.00	\$ -	- Per file per day
2450	Test File Transmission, Asset Pricing	\$ 15.00	\$ -	- Per file per day
2451	File Transmission, Commission	\$ 15.00	\$ -	- Per file per day
2452	Test File Transmission, Commission	\$ 15.00	\$ -	- Per file per day
2453	File Transmission, Commission Money Settlement	\$ 15.00	\$ -	- Per file per day
2454	Test File Transmission, Commission Money Settlement	\$ 15.00	\$ -	- Per file per day
2455	File Transmission, Financial Activity Reporting	\$ 15.00	\$ -	- Per file per day
2456	Test File Transmission, Financial Activity Reporting	\$ 15.00	\$ -	- Per file per day
2457	File Transmission, Initial Application/Subsequent Premium	\$ 15.00	\$ -	- Per file per day
2458	Test File Transmission, Initial Application/Subsequent Premium	\$ 15.00	\$ -	- Per file per day
2459	File Transmission, Initial Application/Subsequent Premium Money Settlement Detail	\$ 15.00	\$ -	- Per file per day
2460	Test File Transmission, Initial Application/Subsequent Premium Money Settlement Detail	\$ 15.00	\$ -	- Per file per day
2461	File Transmission, Positions	\$ 15.00	\$ -	- Per file per day
2462	Test File Transmission, Positions	\$ 15.00	\$ -	- Per file per day

Clearing Services

*2133	Correspondent Clearing	\$ 0.0500	\$ 0.0125	Per side
2370	Flip Trades	\$ 0.0050	\$ 0.0025	Per side



2008 NSCC Participant Fee Changes

Fee ID	Service	Existing Fee	Proposed Fee	Per
2129	Equity Trade Recording	\$ 0.0015	\$ -	100 shares for each side of each stock, warrant or right trade entered for settlement, but not compared by NSCC. Minimum fee of \$0.0045 per side and a maximum fee of \$0.09 per side
2120	Netting	\$ 0.007	\$ -	Per side
2484	Equity Trade Recording - sides	\$ -	\$ 0.001436	Per side
2485	Equity Trade Recording - shares billed		\$ 0.000375	100 shares for each side of each stock, warrant or right trade entered for settlement, but not compared by NSCC. Minimum share fee of \$0.000375 per side and a maximum share fee of \$0.375 per side
2481	Netting - sides into the net unit	\$ -	\$ 0.000916	Per side
2482	Netting - into the net	\$ -	\$ 0.125800	\$1MM of value Into the Net
2483	Netting - out of net value	\$ -	\$ 0.455500	\$1MM of value Out of the Net

* To be effective, 3/1/08

Automated Customer Account Transfer Services (ACATS)

2112	Asset Input (Addition, change or deletion)	\$ 0.05	\$ 0.03	Per asset added, corrected or changed, or deleted
2213	Settled Positions (Settling charge per assets received)	\$ 0.05	\$ 0.03	Per item settled by the receiving firm



2008 NSCC New Participant Fees

Fee ID	Service	Existing Fee	Proposed Fee	Per
Insurance Services				
2507	Funds Transfer	\$ -	\$ 1.25	Per transaction (per side)
2508	Funds Transfer (inquiry)	\$ -	\$ 0.35	Per inquiry