

IMPORTANT NOTICE

National Securities Clearing Corporation



A#6587

P&S#6157

DATE: March 13, 2008

TO: ALL PARTICIPANTS

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

FROM: General Counsel's Office

SUBJECT: Approval of Rule Filing SR-NSCC-2007-06 – Modifications to Hearing Procedures

The Securities and Exchange Commission has approved National Securities Clearing Corporation ("NSCC") rule filing SR-NSCC-2007-06 which modifies the rules of NSCC with respect to procedures related to hearings requested by applicants and members.

The approved changes establish a Minor Rule Violation Plan ("MRVP") within the meaning of Rule 19d-1(c)(2) of the Securities Exchange Act, as amended (the "Act"), pursuant to which a self-regulatory organization may deem certain rule violations minor in nature. Consistent with Rule 19d-1(c)(2) of the Act, NSCC will designate those rule violations for which a fine may be assessed in an amount not to exceed \$5,000 as minor rule violations. A minor rule violation which is contested by a member and not waived by NSCC may be appealed to a panel ("Minor Rule Violation Panel") comprised of officers of the Corporation. For matters (i) involving fines over \$5,000, (ii) involving applicants for membership, or (iii) involving other disciplinary actions (i.e., to which the MRVP does not apply), or for appeals from a Minor Rule Violation Panel decision adverse to a member, the member or applicant will be entitled to a hearing before a panel comprised of three individuals of the NSCC Board of Directors. The approved changes also implement modifications to NSCC's procedures applicable to the conduct of the hearing.

The full text of the approved changes may be obtained by visiting NSCC's website at www.nsccl.com. Questions regarding rule file SR-NSCC-2007-06 should be direct to the undersigned at (212) 855-3213.

Carol A. Jameson
Deputy General Counsel