

IMPORTANT NOTICE

National Securities Clearing Corporation



A#6629

P&S#6199

DATE: June 5, 2008

TO: ALL PARTICIPANTS

ATTENTION: MANAGING PARTNER/OFFICER,
OPERATIONS PARTNER/OFFICER,
SETTLEMENT MANAGER/
MANAGING DIRECTOR/CASHIER

FROM: Steve Wasserman, Product Management

SUBJECT: NEW SERVICE ANNOUNCEMENT - INSTITUTIONAL DELIVERY (ID)
NET

The Securities and Exchange Commission has approved National Securities Clearing Corporation ("NSCC") rule filing SR-NSCC-2007-14 and The Depository Trust Company ("DTC") rule filing SR-DTC-2007-14 to amend the rules and procedures of NSCC and DTC to provide a new service (the "ID Net Service") which will establish settlement netting functionalities for institutional transactions by leveraging the netting and settlement capabilities of NSCC in conjunction with the existing processing of DTC.

Please see DTC Important Notice B#2668 and NSCC Important Notice A#6549 dated December 26, 2007 and December 21, 2007 for a detailed description of the ID Net Service and related procedures.

New screens relating to the ID Net Service will be implemented on the night of Thursday, June 5, 2008. New ID Net options will be added to the PTS/PBS function "IMS" and the PTS/PBS "ART" function will have a third party field added in option 2. Lastly, a new ID Net "Y" or "N" indicator in option 3 of "ART" will permit ID Net transactions to be displayed along with a participant's other transactions processed through its account.

Participants wishing to utilize ID Net can do so starting on Thursday, June 12, 2008. The first potential ID Net trades that would settle would be those eligible ID Net trades with a trade date of Wednesday, June 11, 2008 that are affirmed after approximately 8:00 p.m. on Thursday, June 12, 2008. Therefore, the first potential trade to settle via ID Net would be on the settlement date of

Monday, June 16, 2008. ID Net is a voluntary service and participants can subscribe to ID Net using the procedures below.

For more information, contact Steve Wasserman, Product Management, at 212-855-3270 (swasserman@dtcc.com) or DTCC Relationship Management at (800) 422-0582.

ID Net User Activation Procedures

Broker/dealers must be participants of both NSCC and DTC. Banks must be DTC participants. Omgeo's feed to DTC's Inventory Management System (IMS) will include transactions from all Omgeo TradeSuite Agent and Broker/Dealer ID numbers associated with a given ID Net participant (subject to ID Net eligibility criteria).

- A subscriber to the ID Net service will need to submit an ID Net subscriber form to both DTC and NSCC (banks only to DTC). Participants should contact their DTCC Relationship Manager or DTCC's Relationship Services Group (rmsupport@dtcc.com) to receive the appropriate form(s) for execution.

To initiate ID Net testing:

- Participants need to send an e-mail to their DTCC Relationship Manager with a cc to rmsupport@dtcc.com. The e-mail should contain the following information:
 - Applicable DTC/NSCC Participant number(s)
 - Participant contact name and contact information (telephone and e-mail address)
 - Effective activation Trade Date in test
- DTCC's Relationship Services Group will coordinate appropriate system updates being done by DTC, NSCC and Omgeo.
- Participants who do not have PTS terminal access to DTC's "U client test system" can request such access by sending an e-mail to Vincent Smorto of DTCC's Network Projects & Provisioning group (vsmorto@dtcc.com; with a cc: to mchristou@dtcc.com, janastasio@dtcc.com, swasserman@dtcc.com, rmsupport@dtcc.com and the firm's DTCC Relationship Manager). This optional terminal access enables a participant to familiarize itself with the PTS/PBS function changes made by DTC in support of ID Net processing.

Production Activation

- Once a participant has successfully tested ID Net processing, it must submit a subscriber form(s) to DTCC's Membership Onboarding/Account Administration group prior to going live on the service. The executed form(s) should be sent via e-mail (PDF) to DTCAA@dtcc.com (preferred). Alternatively, a fax can be sent to 212-855-4933 (ATTN: Mary Peake, Account Administration).
- DTCC's Relationship Services Group will again notify DTC, NSCC and Omgeo (as applicable) to complete any necessary system updates.

- ID Net service updates done by DTCC's Account Administration group on a given business day will be "pending" as a "next day" update.
- When participants initially subscribe to ID Net, the transactions eligible for ID netting will be limited to CUSIPs that begin with a "5" to lessen the participant's exposure in the event its system is not properly coded to process ID Net trades. After a one to two week period, participants can request full participation by notifying Steve Wasserman (see above).
- DTCC will have available in the third quarter of 2008 a SMART/Search report for participants that contains an ID Net Broker/Dealer and Bank subscribers list.