# IMPORTANT NOTICE

## National Securities Clearing Corporation

DTCC
The Depository Trust & Clearing Corporation

**A#6696**
**P&S#6266**

| | |
|---|---|
| **DATE:** | **September 16, 2008** |
| **TO:** | **ALL PARTICIPANTS** |
| **ATTENTION:** | **MANAGING PARTNER/OFFICER**<br>**OPERATIONS PARTNER/OFFICER**<br>**MANAGER P&S DEPARTMENT**<br>**MANAGER DATA PROCESSING DEPARTMENT** |
| **FROM:** | **PRODUCT MARKETING AND DEVELOPMENT** |
| **SUBJECT:** | **BATS EXCHANGE Inc. – REGIONAL INTERFACE OPERATION (RIO) & CONSOLIDATED TRADE SUMMARY ENHANCEMENTS** |

Pursuant to the approval of BATS Exchange, Inc. (the "BATS Exchange") as a Self Regulatory Organization (SRO), BATS Exchange will move from ECN to Exchange status. The transition will take place over a two week period beginning on **Friday, October 24, 2008.** Please refer to the BATS Exchange website at http://www.batstrading.com/exchange/ for additional information pertaining to their implementation schedule.

On Friday, October 24, 2008, National Securities Clearing Corporation (NSCC) will enhance its Regional Interface Output (RIO) intra-day Machine Readable Output (MRO) Contract Sheet and corresponding end-of-day Print Image Trade output to include equity trades executed on the BATS Exchange.

All BATS Exchange equity trades will be reported with the Contra Clearing Firm number of 8602 and Contra Executing Broker (MPID) "ANON" in support of post trade anonymity. In addition, NSCC will modify its Consolidated Trade Summary (CTS) Machine Readable and Print Image output to uniquely identify the BATS Exchange.

Details of enhancements to output are specified below:

## A. Regional Interface Operation (RIO) Contracts

- **NSCC RIO Intra-Day MRO Contract Output, AutoRoute #02143125**
  NSCC will display a value of "XBAT" for equity trades executed on the BATS Exchange in the Market / Trade Source" field, position 105-108.

| Description | Length | Start | End | Type | Comments |
|---|---|---|---|---|---|
| Originating Market / Trade Source | 4 | 105 | 108 | A/N | XBAT = BATS Exchange |

- **NSCC RIO End-of-Day Print Image Contracts, AutoRoute #021450124**
  Currently the RIO report segregates each regional exchange into its own separate section and these sections are sorted by settlement date. A separate section will be created on the RIO reports to display the BATS Exchange equity trades in the same manner. An example of a RIO print Image Blotter containing BATS Exchange trades is attached as Exhibit "A".

  Additionally RIO Blotters have a "totals section" at the end of each broker's print image report. The totals page display trade totals for NSST = Non-Standard Settlement, T, T+1, T+2, T+3 and Older Same Day and T+3 and Older Next Day trade totals for each Regional Exchange. There are separate sections that are divided into Equity Sale, Equity Purchase, Bond Sale and Bond Purchase. The RIO report totals for BATS Exchange will be identified as "BA". An example of the totals page containing BATS Exchange equity trades is attached as Exhibit "B".

## B. Consolidated Trade Summary

- **NSCC Consolidated Trade Summary, MRO file, AutoRoute #02042354 and the Supplemental Consolidated Trade Summary Cycle 1 and 2, AutoRoute #02040954**
  Currently the Consolidated Trade Summary is issued three times a day. The regular Consolidated Trade Summary and two Supplemental Consolidated Trade Summaries are produced each business day. NSCC will begin to display the value of "BA" as Market Exec. or Trade Source in the "Market Name" field, position 26-27, for equity trades executed on the BATS Exchange for all three Consolidated Trade Summaries.

| Description | Length | Start | End | Type | Comments |
|---|---|---|---|---|---|
| Market Name | 2 | 26 | 27 | A/N | Market Exec. or Source of Input<br>BA = BATS Exchange |

- **NSCC Consolidated Trade Summary, Print Image Report, AutoRoute #02042353 and the Supplemental Consolidated Trade Summary Cycle 1 and 2, AutoRoute #02040953**
  In support of BATS as an Exchange, NSCC will begin to display the value of "BA" in the "MKT" column for BATS Exchange equity trades in the detail section of all three Consolidated Trade Summaries. Please refer to Exhibit "C" for an example of this Consolidated Trade Summary Print Image report enhancement.

  The Consolidated Trade Summaries also contains a Broker Summary page. The Broker summary page displays the Items, Shares and Value of stocks purchased and sold. The Items, Share and Value columns have a separate line for each market. "BA" will be used to reflect for equity trades executed on BATS Exchange. Please refer to Exhibit "D" for an example of the enhanced Consolidated Trade Summary Broker Summary page.

## Additional Information

This and other NSCC Important Notices are located on the www.DTCC.com Web site in the Clearance and Settlement product pages. The same link contains the data file layouts for the RIO Trade Blotters and Compared Trade Summaries. If you have questions, please contact your Relationship Manager or email the undersigned at ryodice@dtcc.com. Questions regarding BATS Exchange equity trading can be addressed to BATS Exchange Trading Desk at 816-285-9901, or by email at tradedesk@batstrading.com.

Robert M. Yodice
Product Management, Director

**Exhibit A**

NATIONAL SECURITIES CLEARING CORPORATION — REGIONAL INTERFACE OPERATIONS REPORT – RIO — PAGE 8

TRANSACTIONS RECORDED FOR SETTLEMENT AT NSCC — T-DATE: T+0

STOCK S A L E CONTRACT — RECEIVED FROM THE **BATS EXCHANGE** — PROCESS-DATE: 10/24/2008

MEMBER NO 9999 ABC Securities Corp. — TRADE-DATE: 10/24/2008 SETTLEMENT-DATE: 10/24/2008

| SYMBOL - SECURITY DESCRIPTION<br>CUSIP | QUANTITY | CONTRACT MONEY | SELL EXEC | PRICE | BUYER | BUY EXEC | MARKET CONTROL# | BRANCH ID-SEQ | EXEC TIME | STK RV BND IND | SP/tp TRADE | PRC VAR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CIEN - CIENA CORP<br>171779 10 1 | | | | | | | | | | | | |
| | 100,000 | 420,000.00 | | 4.200000 | 8602 | ANON | 002078906160 | | 11:15 | S | | |
| PEIX - PACIFIC ETHANOL, INC.<br>69423U 10 7 | | | | | | | | | | | | |
| | 4,400 | 91,960.00 | | 20.900000 | 8602 | ANON | 001345506160 | | 10:31 | S | | |

**Exhibit B**

******* **** BROKER TOTALS **** *******

xSTOCK S A L E CONTRACT TOTALS **** FOR ALL REGIONS **** PROCESS DATE: 10/24/2008

MEMBER NO 9999 ABC SECURITIES INC.

| REGION DESCRIPTION | ITEMS | QUANTITY | CONTRACT MONEY | T-DATE |
|---|---|---|---|---|
| BA | | | | NSST TRADES |
| BA | 9 | 58,735 | 854,311.90 | T |
| BATS | 1 | 105,000 | 2,979,900.00 | T+1 |
| BA | | | .00 | T+2 |
| BA | | | .00 | T+3 / OLDER SAME DAY SETTLEMENT |
| BATS | | | .00 | T+3 / OLDER NEXT DAY SETTLEMENT |
| TOTALS ==> | 10 | 163,735 | 3,834,211.90 | |
| CM | | | .00 | NSST TRADES |
| CM | | | .00 | T |
| CHICAGO MERC | | | .00 | T+1 |
| CM | | | .00 | T+2 |
| CM | | | .00 | T+3 / OLDER SAME DAY SETTLEMENT |
| CHICAGO MERC | | | .00 | T+3 / OLDER NEXT DAY SETTLEMENT |
| TOTALS ==> | | | .00 | |
| IS | | | .00 | NSST Trades |
| IS | 1 | 105,000 | 2,979,900.00 | T |
| Inter Securities | | | .00 | T+1 |
| IS | | | .00 | T+2 |
| IS | | | .00 | T+3 / OLDER SAME DAY SETTLEMENT |
| Inter Securities | | | .00 | T+3 / OLDER NEXT DAY SETTLEMENT |
| Totals ==> | 1 | 105,000 | 2,979,900.00 | |
| ALL | | | .00 | NSST TRADES |
| ALL | 10 | 163,735 | 3,834,211.90 | T |
| REGIONS | 1 | 105,000 | 2,979,900.00 | T+1 |
| ALL | | | .00 | T+2 |
| ALL | | | .00 | T+3 / OLDER SAME DAY SETTLEMENT |
| REGIONS | | | .00 | T+3 / OLDER NEXT DAY SETTLEMENT |
| TOTALS ==> | 11 | 268,735 | 6,814,111.90 | |

TSR800C0 CNS-CONSOLIDATED TRADE SUMMARY PROCESSING DATE 10/25/08

**Exhibit C**

DEPOSITORY: D

CURRENCY: USD

MEMBER NO: 9999 MEMBER NAME: ABC SECURITIES CORPORATION SETTLEMENT DATE 10/27/08 PAGE 1

| MKT | SEC SYMBOL | CUSIP | SECURITY DESCRIPTION | PURCHASED QUANTITY | SELL QUANTITY | DEBIT VALUE | CREDIT VALUE | SXM STS |
|---|---|---|---|---|---|---|---|---|
| BA | GMST | 36866W106 | GEMSTAR-TV GUIDE INTL INCEW0 U | 9,900 | | 28,075.41 | | |
| NET | | | | 9,900 | | 28,075.41 | | |

| | | |
|---|---|---|
| BOND TOTALS | | |
| NET BONDS | | |
| STOCK TOTALS | 9,900 | 28,075.41 |
| NET STOCKS | 9,900 | 28,075.41 |
| TOTALS TRADE | 9,900 | 28,075.41 |
| NET TRADES | 9,900 | 28,075.41 |

TSR801C0 CNS-CONSOLIDATED TRADE SUMMARY PROCESSING DATE 10/26/08

# Exhibit D

G R A N D T O T A L SETTLEMENT DATE 10/27/08 PAGE 1

DEPOSITORY: D
CURRENCY: USD

| EXCH CODE | MARKET OF EXECUTION OR SOURCE OF TRADE DATA | S T O C K P U R C H A S E D ITEMS | SHARES | VALUE | S T O C K S O L D ITEMS | SHARES | VALUE |
|---|---|---|---|---|---|---|---|
| AB | ALL BASKETS | | | | | | |
| AM | AMERICAN STK EXCH | | | | | | |
| **BA** | **BATS EXCHANGE** | | | | | | |
| BN | NASDAQ BX | | | | | | |
| CA | CHICAGO BD OPTS E | | | | | | |
| CE | CHICAGO MERC EXCH | | | | | | |
| CI | CINCINNATI STK EX | | | | | | |
| CR | CORRESPONDENT CLR | 9 | 260,212 | 2,413,612.00 | 9 | 260,212 | 2,413,612.00 |
| FL | FLIPPED TRADES | | | | | | |
| ID | INST DELY SYS(DTC | | | | | | |
| IS | INTL SEC EXCH | | | | | | |
| MW | MIDWEST STK EXCH | | | | | | |
| NY | NEW YORK STK EXCH | 18 | 436,877 | 7,648,934.41 | 18 | 436,877 | 7,648,934.41 |
| OC | OVER THE COUNTER | 53 | 633,313 | 14,774,914.49 | 53 | 633,313 | 14,774,914.49 |
| OL | NYSE ODD LOT SYST | | | | | | |
| OP | OPTIONS CLRG CORP | | | | | | |
| PC | PACIFIC STK EXCH | | | | | | |
| PH | PHILADELPHIA STK | | | | | | |
| XX | OTHER | | | | | | |
| CLEARED-GRAND TOTALS | | 80 | 1,330,402 | 24,837,460.90 | 80 | 1,330,402 | 24,837,460.90 |
| CLEARED-NET POSITIONS | | 62 | 934,164 | 20,774,046.17 | 64 | 934,164 | 20,774,046.17 |