

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 6709
P&S# 6279
Date: September 23, 2008
To: **ALL PARTICIPANTS**
Attention: **MANAGING PARTNER/OFFICER,
OPERATIONS PARTNER/OFFICER,
DIRECTOR OF OPERATIONS,
MANAGER P&S DEPARTMENT**
From: Product Management
Subject: ACATS Transfers Involving Lehman Brothers, Inc. (NSCC Member No. 0074)

Pursuant to a Court Order entered into on September 19, 2008 in the United States District Court, Southern District of New York (the "Order"), a Securities Investor Protection Corporation ("SIPC") Trustee was appointed with respect to the liquidation of the business of Lehman Brothers, Inc. ("Lehman").

As a result of the SIPC liquidation and wind-down of the accounts of Lehman (NSCC Member No. 0074), NSCC processed various settlement adjustments with respect to Automated Customer Account Transfer Service ("ACATS") transactions for settlement dates September 19, 2008, September 22, 2008 and September 23, 2008.

NON-CNS ACATS

On Friday, September 19, 2008, NSCC processed settlement adjustments with respect to all non-CNS ACATS transactions due to settle on September 19, 2008 with Lehman (#0074). Settlement adjustments were also processed for settlement dates September 22 and September 23. These adjustments were reflected in your ACATS settlement code 008 on your NSCC Settlement Statement.

CNS ACATS

No adjustments were made to CNS settling ACATS transactions with Lehman on Friday, September 19, 2008. On Settlement Dates Monday, September 22, 2008, and Tuesday, September 23, 2008 all CNS ACATS items due to settle were deleted and the associated cash adjustments were reversed.

In order to facilitate the movement of customer accounts, NSCC has been working with the SIPC Trustee, and plans to process these items as detailed below:

CNS ACATS

1. For each settlement date impacted, NSCC is preparing and will provide to each NSCC Member affected, a report which reflects all positions that were due to be received and/or delivered with Lehman via CNS on those dates.
2. We ask each member to review the report to confirm that these positions are the positions that are intended to be transferred in conjunction with customer account movements from Lehman to your firm. Members are required to sign the report to reflect that you approve the report information. Members must return a signed copy of the report to NSCC.
3. Upon receipt, NSCC will provide a copy of each signed report to the SIPC Trustee.
4. Upon authorization from the SIPC Trustee, NSCC will then facilitate the movement of free depository delivery orders within DTC between Lehman and your firm.

NON-CNS ACATS:

1. For each settlement date impacted, NSCC is preparing and will provide to each NSCC Member affected, report(s) which reflect all non-CNS assets that were part of the account transfer due to be received and/or delivered with Lehman on those dates.
2. We ask each member to review the report to confirm that these positions are the positions that are intended to be transferred in conjunction with customer account movements from Lehman to your firm. Members are required to sign the report to reflect that you approve the report information. Members must return a signed copy of the report to NSCC.
3. Upon receipt, NSCC will provide a copy of each signed report to the SIPC Trustee.
4. NSCC will work with the SIPC Trustee to facilitate the movement of those positions.

Members will receive the above mentioned reports by close of business Wednesday, September 24, 2008. Members are advised to return the authorized reports to the attention of Bill Kapogiannis or to Louis Lepore at DTCC. If you have any questions regarding this notice, please contact Bill Kapogiannis at 212-855-5667 or bkapogiannis@dtcc.com or Louis Lepore at (212) 855- 4223 llepore@dtcc.com.