

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 6867
P&S# 6437
Date: August 27, 2009
To: All Participants
Attention: Managing Partner/Officer, Operations Officer, Compliance Officer
From: General Counsel's Office
Subject: NSCC Proposed Rule Change SR-NSCC-2009-07 – Relating to Confirmation of an OFAC Program

On August 26, 2007, National Securities Clearing Corporation (“NSCC”) filed a rule change with the Securities and Exchange Commission (“SEC”) pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934, to modify the text of the “Confirmation of an OFAC Program” Letter (“OFAC Letter”), which was previously filed with the SEC in conjunction with NSCC Proposed Rule Change SR-NSCC-2009-03. These modifications address comments received by NSCC from the American Bankers Association (“ABA”), the Securities Industry and Financial Markets Association (“SIFMA”) and The Clearing House.

In addition to revising the OFAC Letter, NSCC is amending Rule 2, Section 4, of NSCC’s Rules and Procedures, to also exclude Third Party Administrator Members and Investment Manager/Agent Member from the requirement to submit an OFAC Letter.

The proposed rule change also clarifies the obligations of NSCC Members to execute the OFAC Letter. As indicated in the original NSCC proposed rule change, NSCC will be distributing the OFAC Letter to those firms that are required to execute the OFAC Letter on or before October 1, 2009. NSCC Members will have until March 31, 2010, to execute and return the OFAC Letter to NSCC. Failure to provide the executed OFAC Letter by March 31, 2010, will result in NSCC imposing a \$5,000 fine for failure to provide this documentation.

After the initial execution, NSCC Members will be required to execute an updated OFAC Letter every two years. The date on which the updated OFAC Letter will be required is dependent upon the initial date of execution by the NSCC Member. For example, if the date of execution is March 1, 2010, NSCC must receive the updated OFAC Letter from the NSCC Member on or before March 1, 2012.

The full text of the rule change is available at our website, www.dtcc.com. Comments, questions or inquiries regarding this Important Notice or the proposed rule change may be directed to Peter Le Piane, Director at email plepiane@dtcc.com or (212) 855-5606; any such comments will be forwarded to the SEC. Written comments may also be addressed to the Secretary of the Commission, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-9303. We request that you provide NSCC with a copy of your comments.

General questions regarding this notice may be directed to your Relationship Manager. Specific questions related to the completion of the Confirmation of an OFAC Program Certification should be directed to Peter Le Piane, Director, Office of Corporate and Regulatory Compliance at (212) 855-5606, or to Grace Santiago-Darvish, Office of Corporate and Regulatory Compliance, at (212) 855-2653.