

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 6872
P&S# 6442
Date: September 10, 2009
To: ALL PARTICIPANTS
Attention: MANAGING PARTNER/OFFICER, OPERATIONS
PARTNER/OFFICER, COMPLIANCE OFFICER
From: GENERAL COUNSEL'S OFFICE
Subject: Rule Change – SR-NSCC-2009-08 (Revision to Fee Structure)

On September 9, 2009, National Securities Clearing Corporation (“NSCC”) filed a rule change (SR-NSCC 2009-08)¹ with the Securities and Exchange Commission (“SEC”), pursuant to paragraph (A) of Section 19(b)(3) of the Securities Exchange Act of 1934. Effective October 1, 2009, NSCC will revise its fee structure to adopt incentive pricing for certain insurance & retirement services effective October 1, 2009.

Effective October 1, 2009, NSCC is adopting an incentive discount for REP and BIN transactions, a subset of In-Force Transaction types that are formally called “Brokerage Identification Number Change Requests”, “Brokerage Identification Number Change Confirms”, “Registered Representative Change Requests”, and “Registered Representative Change Confirms”. The first \$350 of such transactions each month shall be at no cost. In addition, a participant that submits any of these transaction types will receive a credit in the amount of 30% of the amount of fees paid each month in respect of BIN and REP fees (net of the \$350 discount), to be applied against its fees for NSCC’s established Insurance and Retirement Products (called “Core Products”). Established products that are designated as Core Products are Positions, Commissions, Financial Activity Reporting, Applications/Subsequent Premiums, and Asset Pricing. The purpose of bundling products in this fashion and providing a credit in connection with usage of new products is to compensate participants for the programming and other costs associated with new product adoption.

In addition, effective October 1, 2009, NSCC is adopting a reduction in certain insurance & retirement services fees that may be incurred by a participant in isolated instances of extraordinary events, such as mergers or mass account reconciliations that generate unusually high transaction volume for a limited duration, when arranged in advance with NSCC. With respect to transaction types for which the participant has no history of prior usage, the credit is in the amount of 85% of the transaction fees chargeable in respect of the transaction type, with an additional credit of 5% if the participant continues use of the transaction type in its usual processing flows after the event. With respect to transaction types for which the participant has a history of prior usage, the credit is in an

¹ This filing replaces SR-NSCC-2009-06 which was withdrawn on September 9, 2009.

amount sufficient to produce an aggregate fee for the transaction type that is no more than 120% of the average amount charged to the participant in respect of such transactions in the prior three months.

The full text of this rule change (SR-NSCC-2009-08) may be obtained by visiting NSCC's website at www.nsc.com. Written comments on the proposed rule filing may be addressed to Lisa T. Siebold, Assistant Secretary, National Securities Clearing Corporation, 55 Water Street, New York, New York 10041, and your comments will be forwarded to the SEC. You may also address your written comments to the Secretary of the Commission, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549-1090. We request that you provide NSCC with a copy of your comments.

If you have any questions concerning this change, please contact Randi Gordon, Vice President, at (212) 855-5654.