

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7001

P&S#: 6571

Date: June 7, 2010

To: ALL PARTICIPANTS

**Attention: MANAGING PARTNER/OFFICER, OPERATIONS
PARTNER/OFFICER, COMPLIANCE OFFICER**

From: GENERAL COUNSEL'S OFFICE

**Subject: RULE FILING SR-NSCC-2010-05—PROCESSING ENHANCEMENTS WITH
RESPECT TO TRANSFERS PROCESSED THROUGH NSCC'S AUTOMATED
CUSTOMER ACCOUNT TRANSFER SERVICE ("ACATS")**

On June 4, 2010, National Securities Clearing Corporation ("NSCC") filed a rule change (SR-NSCC-2010-05) with the Securities and Exchange Commission relating to system enhancements with respect to ACATS transfers processed through NSCC's Continuous Net Settlement ("CNS") System.

NSCC's Automated Customer Account Transfer Service ("ACATS") enables Members to effect automated transfers of customer accounts among themselves. With respect to ACATS transfers processed through NSCC's Continuous Net Settlement ("CNS") system, long and short positions are passed against Members' positions at The Depository Trust Company ("DTC") and available securities are delivered from short Members' accounts at DTC and are allocated to long Members' accounts by book-entry. Since its inception in 1985, ACATS has provided Member firms with an efficient automated means for the prompt transfer of customer accounts; however, NSCC has determined to undertake certain enhancements relating to the service to: (i) provide for enhanced protection for customer securities that are subject to ACATS transfer such that customer account transfers to new firms are maximized in the event of a firm failure, and (ii) facilitate Members' compliance with their securities possession or control requirements for ACATS transfers processed through CNS.

NSCC proposes to implement these changes during the third quarter of 2010. Members will be advised of the implementation date through issuance of NSCC Important Notices.

The full text of this rule change (SR-NSCC-2010-05) may be obtained by visiting NSCC's website at www.dtcc.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.