

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7009
P&S# 6580
Date: June 14, 2010
To: All Participants
Attention: Managing Partner/Officer, Operations Partner/Officer, Compliance Officer
From: General Counsel's Office
Subject: Rule Change – SR-NSCC-2010-06 (Relating to Mutual Fund Services)

On June 11, 2010, National Securities Clearing Corporation (“NSCC”) filed a rule change as effective upon filing with the Securities and Exchange Commission (“SEC”), pursuant to paragraph (A) of Section 19(b)(3) of the Securities Exchange Act of 1934. The rule change amends the Rules of NSCC to create a new type of member which will access NSCC’s mutual fund services.

NSCC has created a new member type called a Third Party Provider Member (“TPP Member”). The TPP Member will act as a routing platform that will link the TPP Member’s customers to NSCC’s Mutual Fund Services. This will allow the TPP’s customers to gain automated access to funds participating in NSCC’s Mutual Fund Services without having to build multiple systems and connections to NSCC. Each TPP customer transacting business with an NSCC fund Member will be required to enter into a selling group agreement with such fund. In creating the TPP Member, NSCC will further streamline the processing and settlement of fund transactions by allowing access to its services via a single interface in a seamless automated manner.

The TPP Member is a non-settling Member with access to Fund/SERV® and NSCC’s other mutual fund services. The TPP will assign an NSCC Member (“settling member”) to settle transactions on behalf of the TPP’s customers. The settling member will receive notice of the settlement obligation for each TPP customer. Each TPP customer will be required to maintain an account relationship with the settling member with whom the TPP has a relationship for the purpose of settling the transactions. Consequently, each TPP customer will be subject to the settling member’s customer identification program, due diligence and, where appropriate, enhanced due diligence requirements.

The settling member must be an NSCC Member, and therefore subject to NSCC’s standards of membership as if it were to be settling its own transactions in mutual fund services at NSCC.

Non-Confidential

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The full text of this rule change (SR-NSCC-2010-06) 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. Questions regarding the rule filing may be directed to Candice Fordin, Associate Counsel at (212) 855-7632.