

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7047
P&S# 6618
Date: August 19, 2010
To: All Participants
Attention: Managing Partner/Officer, P&S Manager, Cashier Manager, Data Processing Manager, Fund/SERV Participants
From: Cashiering
Subject: RECAPS September 2010

In March of 2007, NSCC made changes to the RECAPS processing cycles. Please reference NSCC Important Notice number A-6323 / P&S-5893 Dated October 26, 2006 for details of these changes.

As a result of these changes, modifications have been made to the various input and output schedules for RECAPS. Among the highlights of these changes are the elimination of CUSIP input on Tuesday and the acceleration of the Settlement cycle by one day. Based on these changes, the dates for the next cycle of NSCC's Reconfirmation and Repricing Service (RECAPS) are scheduled for the week of **September 13, 2010**.

A part of the RECAPS mandate, instituted in the December 1990 cycle, is the SEC requirement that firms indicate upon submission those fails that are being submitted to RECAPS which were submitted in a previous RECAPS cycle and compared, but did not settle. Firms must use the indicator "R" in column "80" of the fail input record when submitting a repeat fail.

In addition, the number of repeat fails eligible to be reported to the SEC will be reported to the participants' Designated Examining Authorities. Participants must maintain records documenting these fails.

Equity, Municipal, Corporate, UIT and Zero instrument fails five (5) business days and older will be accepted for recomparison and repricing. In preparing your fail files for submission, note that fails must be dated **September 10, 2010** or earlier.

The following are the processing time frames for automated input.

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Friday, September 17	Participants must submit their fail input no later than 10.00 p.m. Friday evening.
Saturday, September 18	NSCC will generate Contracts, CNS and NON-CNS Compared Trade Summaries Saturday morning to participants for Friday's fail input for Monday Settlement , review and supplemental processing.
Monday, September 20	Supplementary input (Advisories, As-Of's, DK's, Rejects) must be submitted no later than 4:00 p.m. for Settlement Tuesday
Tuesday, September 21	NSCC will generate Contracts, CNS and NON-CNS Compared Trade Summaries Monday night for Settlement Tuesday.

Friday's re-compared fails will settle on Monday, September 20, 2010 and Monday's re-compared fails will settle on Tuesday September 21, 2010.

To minimize rerun requests, please be on the lookout for output specifically designated "RECAPS" from other output you may receive. NSCC will no longer accept or distribute RECAP hardcopy reports.

RECAPS INELIGIBLE PRODUCT CUSIP FILE:

As in past cycles, NSCC will continue to edit for Foreign Securities, Government Securities, Mutual Funds, & Reorgs. These securities will be rejected upon submission on RECAPS Friday or As-Of's the following Monday to the extent they are on NSCC's file of ineligible securities. Reject codes will appear in the Registered/Bearer field of the **REJECTED TRADES** area of participants' RECAPS Contracts with the following codes and descriptions:

- "M" – Mutual Fund-----"Ineligible M/F Security"**
- "F" – Foreign Security-----"Ineligible Foreign Security"**
- "G" – Government Security-----"Ineligible Govt Security"**
- "R" – REORG-----"Ineligible REORG Security"**

The reject descriptions above will not appear at the far right if another reject error is found upon submission. If submission of an ineligible security is the only reason for the reject, the above reject messages will appear. Participants should attempt to edit their fail files of these securities to the extent this is possible prior to fail submission on Friday.

Any questions regarding this Important Notice can be directed to DTCC Account Executive or Relationship Services at 1-800-422-0582.

Louis Colacino
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