



A#:	7356
P&S #:	6926
DATE:	JANUARY 13, 2012
TO:	ALL PARTICIPANTS
ATTENTION:	MANAGING PARTNER/OFFICER OPERATIONS PARTNER/OFFICER MANAGER P&S DEPARTMENT MANAGER DATA PROCESSING DEPARTMENT
FROM:	LOUIS LEPORE
SUBJECT:	ELIMINATION OF NETWORKING MATRIX LEVELS 1 AND 2 FROM AUTOMATED CUSTOMER ACCOUNT TRANSFER SERVICE (ACATS)

As previously announced in Important Notice A#7316 (P&S# 6886), dated November 3, 2011, and Important Notice A#7355 (P&S# 6925), dated January 12, 2012, the National Securities Clearing Corporation (“NSCC”) will sunset the Matrix Levels 1 and 2 to its Fund/SERV and Networking Services. As a result, effective **Monday, April 23, 2012** these same Matrix Levels will no longer be accepted or processed by the Automated Customer Account Transfer Service (ACATS) on any of the input records listed below.

Unlike in the case of the Fund/SERV and Networking services, the elimination of Matrix Levels 1 and 2 from the ACATS system will not be phased in, and any ACATS transaction submitted on or after **Monday, April 23, 2012** with either of these Matrix Levels will be rejected by the system.

Members who need to transfer a mutual fund asset in ACATS with a Matrix Level 1 or 2 on or after this date, but before these Matrix Levels are eliminated from processing in Fund/SERV and Networking, will need to change that asset’s Matrix Level through Networking before processing the asset into an ACATS transfer.

Input Records

- ACATS Asset Input (AT) Fixed – 32667, Mutual Fund Data Section, Record 8 – Byte 28
- ACATS Fund Registration Input (FR) Fixed – 32667, Record 2 – Byte 56
- ACATS Asset Input (AT) Variable– 36667, Mutual Fund Data Section, Byte 453
- ACATS Fund Registration Record Input (FR) Variable – 36667, Byte 169

Additionally, these modifications will be updated on all applicable ACATS DTCC Web Direct input screens where a Networking Matrix Level can be submitted.

As a result of change:

- Networking Value 1 = “Broker Controlled Margin/IRA”, and 2 = “Customer name brokerage account” will be discontinued.
- Networking Value 0 = “Not Networked”, 3 = “Broker Controlled” and 4 = “Fund Controlled” will remain as valid input options.

Network Control Indicator	Values: 0 = Not Networked 3 = Broker controlled 4 = Fund controlled Values 1 and 2 are reserved for Future Use
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Membership Profile for Default Registrations

Due to this change, Members will no longer be allowed to elect Networking Matrix Levels 1 or 2 on their Membership Profile in the ACATS Database for default registration instructions. Members who currently have either of these values chosen must change their election by updating the attached form (http://www.dtcc.com/products/documentation/cs/acats/11288acats_default_form.pdf) and returning it to their DTCC Relationship Manager.

If no change is made before **Monday, April 23, 2012**, NSCC will automatically remove any original elected Networking Matrix Level 1 or 2 from that Member’s Profile. This will result in the current default Networking Matrix Level 0 to be processed on default registration records. Members can view their profile on the ACATS Transaction History Inquiry application available on DTCC Web Direct.

Participant Services Environment (PSE)

NSCC will make its Participant Service Environment (PSE) available for testing any of the above referenced modifications beginning on **Monday, April 9, 2012**. Testing will continue to be available in NSCC’s participant test region after production implementation.

Additional Information

A copy of this Important Notice can be obtained from the web site of NSCC’s parent corporation, The Depository Trust & Clearing Corporation, at <http://www.dtcc.com>. If you have any questions regarding these enhancements, please contact your DTCC Relationship Manager or the Enterprise Service Center at (888) 382-2721, Option 6, then 7, then 2.