

OMB APPROVAL

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 hours per response.....38

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 30

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No.* SR - 2010 - * 19

Amendment No. (req. for Amendments *)

Proposed Rule Change by National Securities Clearing Corporation
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * Amendment * Withdrawal Section 19(b)(2) * Section 19(b)(3)(A) * Section 19(b)(3)(B) *

Rule

Pilot Extension of Time Period for Commission Action * Date Expires *
 19b-4(f)(1) 19b-4(f)(4)
 19b-4(f)(2) 19b-4(f)(5)
 19b-4(f)(3) 19b-4(f)(6)

Exhibit 2 Sent As Paper Document Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Proposed Rule Change to amend the fee schedule of NSCC

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name * John Last Name * Petrofsky
 Title * Associate Counsel
 E-mail * jpetrofsky@dtcc.com
 Telephone * (212) 855-7634 Fax (212) 855-3215

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 12/21/2010

By Merrie Faye Witkin Managing Director and Deputy General Counsel
 (Name *)

(Title *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Merrie Faye Witkin, mwitkin@dtcc.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information (required)

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change (required)

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change.

(a) The proposed rule change for National Securities Clearing Corporation (“NSCC”) (which contains detailed information on the fee changes described below) is annexed hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization.

(a) The proposed changes were approved by the Businesses and Products Committee of the Board on December 14, 2010.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) The purpose of the proposed rule change is to revise NSCC’s fee schedule (as listed in Addendum A of NSCC’s Rules and Procedures) for certain services provided by NSCC to align fees with the costs of delivering services.

Fee increases will be implemented for the following:

- Clearance Activity fees, which includes: (i) a tiered fee structure for the number of sides submitted for trade recording and netting, and (ii) “value into the net” and “value out of the net” fees;
- Trade Comparison fees for bonds;
- Automated Customer Account Transfer Service fees for asset delivers, asset receives, and asset additions, deletions or changes; and
- Per envelope receive and deliver charges for the Envelope Settlement Service, Funds Only Settlement Service and Dividend Settlement Service.

Separately, the existing fee structure for the Alternative Investment Products Service will be replaced with: (i) a tiered fee structure, with a fee cap for broker-dealers¹, with respect to processing of Non-Traded REITs and Managed Futures, and (ii) increased charges for processing of hedge funds and other activity (other than Non-Traded REITs and Managed Futures).²

¹ The incentive of an annual fee cap is expected to encourage broker-dealers to use the service and expand coverage of these products and increase the value of the overall market.

² The difference in pricing between (i) and (ii) reflects differing average transaction volumes. Non-Traded REITs and Managed Futures funds are typically low value transactions, but have proportionally high transaction volume. These funds typically process over 10,000 trades per month, and over 50,000 records per month. Conversely, Hedge Funds, Funds of Funds, and Private Equity trades are low volume, but have large transaction value. Hedge Fund monthly trading is usually under 1,000 transactions, with a monthly record count under 5,000 records per month.

Additionally, a new flat monthly fee will be implemented for transmission of Networking Omnibus Activity/Position Files (Omni/SERV).³

Finally, NSCC is making a technical change to reflect current practice whereby all Fund/SERV transactions are subject to the same fee.

The above fee changes will take effect on January 3, 2011.

(b) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because it updates NSCC's fee schedule to align fees with the costs of delivering services. As such, it provides for the equitable allocation of fees among NSCC's participants. This rule filing is consistent with the CPSS/IOSCO Recommendations for Central Counterparties because it provides its Members with sufficient information for them to identify and evaluate accurately the costs associated with using NSCC's services.

4. Self-Regulatory Organization's Statement on Burden on Competition.

NSCC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

6. Extension of Time Period for Commission Action.

NSCC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D).

(a) The proposed rule change is to take effect on January 3, 2011 pursuant to paragraph A of Section 19(b)(3) of the Act.

³ These files are used for the transmission of: (i) omnibus activity files which are transmitted from firms to fund companies detailing activity within sub-accounts, and (ii) omnibus position files which are transmitted from firms to fund companies detailing positions within the subaccounts. These files supplement other Networking functionality which facilitates file transmission from funds to firms. For additional information on Networking Omni/SERV files please see NSCC Important Notices A#6968, P&S#6538, dated March 15, 2010, and A#6948, P&S#6518, dated February 18, 2010. A separate fee is not currently charged for this file type.

(b) The proposed rule change establishes or changes a due, fee, or other charge applicable only to NSCC participants.

(c) Not applicable.

(d) Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

The proposed rule change is not based on the rules of another self-regulatory organization or the Commission.

9. Exhibits

Exhibit 1 - Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 - n/a

Exhibit 3 - n/a

Exhibit 4 - n/a

Exhibit 5 - Proposed Rule Text

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-NSCC-2010-19)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by NATIONAL SECURITIES CLEARING CORPORATION
("NSCC") to modify its fee schedule.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, NSCC filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NSCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change amends Addendum A of the NSCC Rules & Procedures to modify NSCC's fee schedule.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(i) The purpose of the proposed rule change is to revise NSCC's fee schedule (as listed in Addendum A of NSCC's Rules and Procedures) for certain services provided by NSCC to align fees with the costs of delivering services.

Fee increases will be implemented for the following:

- Clearance Activity fees, which includes: (i) a tiered fee structure for the number of sides submitted for trade recording and netting, and (ii) "value into the net" and "value out of the net" fees;
- Trade Comparison fees for bonds;
- Automated Customer Account Transfer Service fees for asset deliveries, asset receives, and asset additions, deletions or changes; and
- Per envelope receive and deliver charges for the Envelope Settlement Service, Funds Only Settlement Service and Dividend Settlement Service.

Separately, the existing fee structure for the Alternative Investment Products Service will be replaced with: (i) a tiered fee structure, with a fee cap for broker-dealers¹, with respect to processing of Non-Traded REITs and Managed Futures, and (ii) increased charges for processing of hedge funds and other activity (other than Non-Traded REITs and Managed Futures).²

Additionally, a new flat monthly fee will be implemented for transmission of Networking Omnibus Activity/Position Files (Omni/SERV).³

Finally, NSCC is making a technical change to reflect current practice whereby all Fund/SERV transactions are subject to the same fee.

The above fee changes will take effect on January 3, 2011.

(ii) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because it updates NSCC's fee schedule to align fees with the costs of delivering services. As such, it provides for the equitable allocation of fees among NSCC's participants. This rule filing is consistent with the CPSS/IOSCO Recommendations for Central Counterparties because it provides its Members with sufficient information for them to identify and evaluate accurately the costs associated with using NSCC's services.

¹ The incentive of an annual fee cap is expected to encourage broker-dealers to use the service and expand coverage of these products and increase the value of the overall market.

² The difference in pricing between (i) and (ii) reflects differing average transaction volumes. Non-Traded REITs and Managed Futures funds are typically low value transactions, but have proportionally high transaction volume. These funds typically process over 10,000 trades per month, and over 50,000 records per month. Conversely, Hedge Funds, Funds of Funds, and Private Equity trades are low volume, but have large transaction value. Hedge Fund monthly trading is usually under 1,000 transactions, with a monthly record count under 5,000 records per month.

³ These files are used for the transmission of: (i) omnibus activity files which are transmitted from firms to fund companies detailing activity within sub-accounts, and (ii) omnibus position files which are transmitted from firms to fund companies detailing positions within the subaccounts. These files supplement other Networking functionality which facilitates file transmission from funds to firms. For additional information on Networking Omni/SERV files please see NSCC Important Notices A#6968, P&S#6538, dated March 15, 2010, and A#6948, P&S#6518, dated February 18, 2010. A separate fee is not currently charged for this file type.

B. Self-Regulatory Organization's Statement on Burden on Competition.

NSCC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change will become effective on January 3, 2011 pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or send an e-mail to rule-comment@sec.gov. Please include File No. SR-NSCC-2010-19 on the subject line.
- Paper comments should be sent in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington DC 20549-1090.

All submissions should refer to File Number SR-NSCC-2010-19. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Room Section 100 F Street, NE,

Washington DC 20549-1090. Copies of such filing also will be available for inspection and copying at the principal office of NSCC. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submission should refer to the file number above and should be submitted within _____ days after the date of publication.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary

Exhibit 5

Underlined, boldface text indicates additions.

~~Struck-through boldface~~ text indicates deletions

Underlined, boldface, highlighted text indicates previously filed additions pending implementation.

~~Struck-through boldface, highlighted~~ text indicates previously filed deletions pending implementation.

ADDENDUM A*

NATIONAL SECURITIES CLEARING CORPORATION

FEE STRUCTURE

I. TRADE COMPARISON AND RECORDING SERVICE FEES - represents the fees to enter and correct original trade data.

A. Trade Comparison:

1. Each side of each stock, warrant or right trade submitted - \$.010 per 100 shares, with a minimum fee of \$.030 and a maximum fee of \$.60 being applicable.
2. Each side of each bond trade submitted - ~~\$0.65~~ \$0.85 per side.
3. Each side of a compared trade in Foreign Securities - \$0.75, in addition to the fees provided for in I.A.1. above.

B. Trade Correction Fees:¹

1. OTC Equity System Correction Fees:
 - a. All supplemental input after the night of Trade Date (Advisory, As Of:
 - (1) T+1 - \$.40 to the submitter
 - (2) T+2 - \$.60 to the submitter
 - (3) after T+2 - \$1.00 to the submitter

* Numbering of footnotes in Addendum A will be adjusted in the revised rulebook to reflect the revisions below.

¹ Trade Submission Fees (see I.A. above) will be charged in addition to the Trade Correction Fees detailed in I.B. Trade Correction Fees will not be applied on OCS, IDC and ACT input.

2. Listed Equity System Correction Fees:

Suggested Name Deletes submitted to the Corporation directly by participants on T+1 - \$.40 to both sides.

3. Bond Correction Fees:

a. All supplemental input after T (Advisory, As Of, Withhold) except for Trades Deleted:

- (1) T+1 - \$.60 to the submitter
- (2) T+2 - \$.90 to the submitter
- (3) after T+2 - \$1.50 to the submitter

b. Trades Deleted:

- (1) T+1 - \$.60 to both sides
- (2) T+2 - \$.90 to both sides
- (3) after T+2 - \$1.50 to both sides

4. Trade Rejection Fee: \$.50 per bond reject.

C. Trade recording fees will be charged as follows on those items originally compared by other parties, but cleared through the Corporation:

1. Each side of each bond item entered for settlement, but not compared by the Corporation - \$0.65 per side.
2. Each side of a foreign security trade entered for settlement, but not compared by the Corporation - \$.75 per side.

D. RECAPS

1. Sides submitted for re-comparison - \$.75 per side.

E. Index Receipts

1. Index Creation and Redemption Units - each side of each Index Creation and Redemption instruction submitted for regular way (T+3) settlement - \$30 per side.
2. Index Creation and Redemption Units – each side of each Index Creation and Redemption instruction submitted for shortened settlement - \$50 per side.

//. TRADE CLEARANCE FEES - represents fees for trade recording, netting, issuance of instructions to receive or deliver, effecting book-entry deliveries, and related activity.

- A. Clearance Activity Fee – The sum of: ~~\$.0230~~ \$.0330 per side for zero to 35,000 monthly sides, (ii) ~~\$.00126~~ \$.00183 per side for 35,001 to 42,000,000 monthly sides, and (iii) ~~\$.00066~~ \$.00096 per side for over 42,000,000 monthly sides, plus (a) a “value into the net” fee of ~~\$.151~~ \$.219 per million of processed value (i.e. for CNS and Balance Order netting, the sum of the contract amount and any CNS fail value), and (b) a “value out of the net” fee of ~~\$1.36~~ \$1.97 per million of settling value (i.e. the absolute value of the CNS Long and Short Positions).
- B. Deliveries to CNS in the day processing cycle to cover a short valued position - \$.40 per delivery.
- C. Fails to Deliver to CNS (Short-In CNS) –
1. \$.25 per item short in CNS for 1 to 30 days at close of business.
 2. \$.50 per item short in CNS for 31 to 60 days at close of business.
 3. \$.75 per item short in CNS for 61 to 90 days at close of business.
 4. \$1.00 per item short in CNS for more than 90 days at close of business.
- D. Flip Trades - \$.00060 per side.
- E. Security orders generated² - \$.40 per item.
- F. CNS Buy-In (long Broker and short Broker) - \$5.00 per item.
- G. Clearing Interface Exemption or Inclusion Instruction to the Corporation - \$.75 per item.
- H. Reorganizations
1. Mandatory Reorganizations - \$2.50 each
 2. Voluntary Reorganizations –

² A security order, or non-CNS settling item, is an instruction to deliver or receive securities outside of the CNS system. These instructions will be generated when cleared securities are not eligible for CNS or when both parties to a transaction wish to settle in this manner. Security orders may be issued on an item-by-item basis or netted through a balance order@ procedures.

- a. Long Broker (per input)
Automated Input \$15.00 each
- b. Short Broker (per
reorganization) \$35.00 each
- I. Foreign Securities Transactions
(Netted) \$.50 per item in
addition to F. above
- J. Dividends
 - 1. CNS Stock Dividend Payment (Long) - \$12.00 per item.
 - 2. CNS Cash Dividend & Interest Payment (Long) - \$1.40 per item.
 - 3. CNS Stock Dividend Payment (Short) - \$12.00 per item.
 - 4. CNS Cash & Interest Payment (Short) - \$1.40 per item.
 - 5. Research on invalid CNS dividend or interest claim - \$70 per claim

III. DELIVERY SERVICE FEES

A. Envelope Settlement Service:

- 1. Intra-City Deliveries (ESS)³ **~~\$5.00~~ \$10.00** per
envelope
- 2. ESS Deliveries or Receives **~~\$5.00~~ \$10.00** per
envelope

B. Funds Only Settlement Service⁴

- 1. Deliveries, Receives or
Reclamations (except for
reclamations of original deliveries
made in the reclaim zone,
for which there is no charge to
the reclaiming participant) **~~\$5.00~~ \$10.00** per
envelope

C. Dividend Settlement Service (DSS) **~~\$1.00~~ \$10.00** per
envelope

³ At present, New York City.

⁴ At present, New York City.

D.	New York State Transfer Taxes	\$1.00 per Form
IV.	OTHER SERVICE FEES	
A.	Deliver - Physical:	
	1. Over-the-Window Deliveries:	\$18.00 per envelope
	2. International receives through International Securities Clearing Corporation	\$.75 per envelope
B.	Receive - Physical: ⁵	
	1. Without collection (at other than primary receive location)	\$7.00 per item
	2. Against payment	\$7.00 per item
	3. Over the Window Receives	\$10.00 per item
	4. Other Envelopes	
	a. FOSS Receives	\$7.00 per item
	b. DSS Receives	\$3.50 per valued envelope
C.	Underwriting Pick-Up	\$22.50 per pick-up
D.	Customer Transfer in which the participant instructs the Corporation to physically act on their behalf:	\$2.70 per item plus pass-through of any direct charges
E.	Depository Handling Fees in which the the participant instructs The Corporation to act on their behalf:	
	1. Each physical item withdrawn from a participant's account in a depository by The Corporation at the participant request	\$3.00 per item

⁵ Under instructions, the Corporation will receive envelopes from third parties, at the Corporation's offices.

	2.	Each physical item deposited by The Corporation to a participant's account plus any depository in a depository fees charged to The Corporation	\$.45 per item
	3.	Deposit Rejects by a Depository	\$3.00 per item
F.		Preparation Fees	
	1.	Preparing DTC forms	\$1.80 per item
	2.	Preparing securities and other envelopes for delivery	\$3.60 per item plus cost of delivery service
	3.	Preparing securities for physical transfer, physical collateral loan or drafting	\$3.60 per item
	4.	Preparing DSS envelopes	\$3.60 per item
G.		Reorganizations	\$10.00 per item
H.		Non-CNS Buy-ins	\$10.00 per item
I.		Check and Draft processing	\$165.00 per month
J.		Reconciliation and Proof of Settlement	\$100.00 per month
K.		Processing Daily Settlement activity entered on Settlement Statement	\$1.00 per item (minimum \$25.00; maximum \$250.00 per month)
L.		Automated Customer Account Transfer Service	
	1.	Transfer Initiation Form	
		a. Standard	\$.15 per submission
		b. Non-Standard	\$.15 per submission
	2.	Recording	

a.	Asset Delivers	\$.03 <u>\$.05</u> per asset which is reported by the delivering firm
b.	Asset Receives	\$.03 <u>\$.05</u> per asset which is received by the receiving firm
3.	Corrections Asset additions, deletions, or changes	\$.03 <u>\$.05</u> per asset
4.	Insurance Registrations	\$.25 per insurance registration submitted, to the receiver and the deliverer
5.	Non-CNS Receive/Deliver Orders	\$.10 per order issued
6.	Adjustment of customer account number	\$.12 per adjustment
7.	Account Transfer Rejects*	\$1.00 per full account reject per side where both parties are required by their designated examining authority or other regulatory body to use an automated customer account transfer service
M.	Fund/Serv	
1.	Membership Fee: for each participating Member, Mutual Fund/Insurance Services Member and Fund Member regardless of activity level	\$50.00 per month

2. Transaction Fees: \$0.0600 per side per order or transfer request settling through the Corporation

~~\$.075 per side per Fund/Serv Processing Only order or transfer request, both sides of which are payable by the Fund Member or Mutual Fund Processor⁶~~

N. Networking

1. Membership Fee: \$200.00 per month
for each participating Member, Mutual Fund/Insurance Services Member and Fund Member regardless of activity level

2. Activity Fee (all types except for Networking Omnibus Activity Position Files (Omni/SERV)) \$.001 per record

3. Networking Omnibus Activity/Position Files (Omni/SERV) \$2,500 monthly file fee for omnibus file transmissions

O. Mutual Fund Commission Settlement

1. Membership Fee \$50.00 per month

2. Transaction Fees:

- a. For the first 500,000 records submitted each month \$.30 per hundred records, \$50 minimum
- b. For each record in excess of 500,000, but not exceeding 1,000,000 submitted each \$.20 per hundred records

⁶ As defined in NSCC's Rule 52, a "Mutual Fund Processor" is a Member or Mutual Fund/Insurance Services Member that is acting in the capacity of a Fund Member in connection with the issuance or redemption of fund shares.

month

- c. For each record in excess of 1,000,000 submitted each month \$.10 per hundred records

P. Fund/SPEED⁷

All Fund/SPEED fees are payable by the applicable Fund Member or Mutual Fund Processor.

- | | | |
|----|---|--|
| 1. | Fund/SPEED Membership Fees for each participating Fund Member and Mutual Fund Processor ¹⁰ | \$250 per month for members with less than 25 Fund/SERV Eligible Funds

\$1,000 per month for such members with between 25 and 99 Fund/SERV Eligible Funds

\$2,500 per month for such members with 100 or more Fund/SERV Eligible Funds |
| 2. | Account Inquiry Fee | \$.005 per inquiry (request and fund response) |
| 3. | New Account Trade Transmission ⁸ | \$.75 per order |
| 4. | Subsequent Trade Transmission ¹² | \$.50 per order or transfer request |
| 5. | Account Maintenance | \$.25 per transaction |

Q. Profile

- 1. Membership Fee:
for each participating Settling Member and Fund Member regardless of activity level.
 - a. Phase I (price and rate) only \$325.00 per month

⁷ Fund/SPEED and Profile fees are payable in addition to any applicable fees payable under N, O & P above.

⁸ Refers to transmission of trade data via NSCC's XML communication's interface to Fund/SERV.

	b.	Phases I and II	\$1,200.00 per month ⁹
R.		New York Window	
	1.	Over The Window - Receives/Deliveries	
		a.	1-50 daily \$12.00 per item
		b.	51-100 daily \$10.00 per item
		c.	101 - and up daily \$8.00 per item
	2.	Branch Receives	
		a.	With SIC validation \$3.50 per item
		b.	Without validation \$2.50 per item
	3.	Envelope Settlement Service/ Receives	
		a.	1-100 daily \$6.00 per item
		b.	101-150 daily \$5.00 per item
		c.	151 - and up daily \$4.00 per item
	4.	Envelope Settlement Services/ Deliveries	\$6.00 per item
	5.	FOSS/DSS - Receives/Deliveries (Money Only)	\$3.50 per item
	6.	Transfers	\$15.00 per item
	7.	Reorganizations	
		a.	One-Way \$15.00 per item
		b.	Two-Way \$18.00 per item
	8.	Underwritings (Coordinating	\$35.00 per hour

⁹ Users of Profile II with 25 or fewer funds in their family will receive a \$600 credit per month against the base \$1,200 per month fee. Thus, the net fee for fund families which meet this criterion will be \$600 per month.

Distribution)

9.	Special Handling	\$35.00 per hour
10.	Custody (Per CUSIP)	\$.05 per day
11.	Return to Firm (Securities)	\$.10 per item
12.	Internal Cross - Receives/ Deliveries	\$7.00 per item
13.	Messenger Service (Accommodation)	\$7.50 per hour
14.	Accommodation Handling	\$3.50 per item
15.	DTC Receives/Deliveries	\$3.00 per item
16.	Internal Tri-Party - Receives/ Deliveries	\$7.00 per transaction plus \$1.00 per security
17.	Settlement Reconciliation	\$25.00 per day

S. Insurance and Retirement Processing Services^{10, 11}

¹⁰ Unless otherwise noted, all Insurance and Retirement Processing Services transaction fees are per side, and both sides are charged for each item. Volume is calculated on an aggregate basis among qualified carrier members or qualified distributor members, as applicable.

BIN and REP Incentive Discount: Effective October 1, 2009, Participants that submit BIN or REP transactions (i.e., In Force Transactions-Registered Representative Change Requests or Confirms (2.f. and 2.g. of this Section T., also referred to as "REP" transactions) and - Brokerage Identification Number Change Requests or Confirms (2.h. and 2.i. of this Section T., also referred to as "BIN" changes) will receive the first \$350 in such transactions, each month, at no cost.

In addition, effective October 1, 2009, Participants that submit BIN or REP transactions will receive a credit of 30% of the BIN and REP transaction costs (net of the monthly \$350 discount) to be applied to fees charged (but not to exceed the amount changed) in respect of Insurance and Retirement Services "Core Products". Core Products are the following: Positions, Commissions, Financial Activity Reporting, Applications/Subsequent Premiums, and Asset Pricing.

¹¹ Extraordinary Event Pricing: if arranged in advance with NSCC, a Participant may qualify for a credit on transaction fees incurred due to extraordinary events such as mergers or mass reconciliations that generate unusually high transaction volume for a limited duration. 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 in the amount of 5% if the participant continues use of the transaction type after the event. With respect to transaction types for which the participant has a history of prior usage, the credit is in an amount sufficient to produce an aggregate fee for the

1. Transaction Fees

a.(i) Positions (both Full, Focused and New)

\$ From 0 to 500,000 items/month	\$8.00 per 1,000 items
\$ From 500,001 to 2,000,000 items/month	\$4.00 per 1,000 items
\$ From 2,000,001 to 4,000,000 items/month	\$3.00 per 1,000 items
\$ For 4,000,001 or more items/month	\$2.00 per 1,000 items

(ii) Positions (Focused)

From 0 to 500,000 items/month	\$3.00 per 1,000 items
From 500,001 to 2,000,000 items/month	\$1.50 per 1,000 items
From 2,000,001 to 4,000,000 items/month	\$1.50 per 1,000 items
For 4,000,001 or more items/month	\$0.50 per 1,000 items

b. Asset Pricing

\$ From 0 to 49,999 items/month	\$0.75 per 1,000 items
\$ From 50,000 to 249,999 items/month	\$0.65 per 1,000 items
\$ From 250,000 to 999,999 items/month	\$0.55 per 1,000 items
\$ More than 999,999 items/month	\$0.45 per 1,000 items

c. Commissions

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.

\$ From 0 to 999 items/month	\$40.00 per 1,000 items
\$ From 1,000 to 9,999 items/month	\$35.00 per 1,000 items
\$ From 10,000 to 29,999 items/month	\$30.00 per 1,000 items
\$ More than 29,999 items/month	\$25.00 per 1,000 items

d. Initial Application Information (APP)¹²

For members for whom settlement is available:

\$ From 0 to 1,999 items/month	\$1.50 per item
\$ From 2,000 to 3,499 items/month	\$1.00 per item
\$ More than 3,499 items/month	\$0.50 per item

For members for whom settlement is not available:

\$ From 0 to 1,999 items/month	\$1.50 per item
\$ More than 1,999 items/month	\$1.00 per item

e. Business Attachment

New Business Attachment (relating to a new business application) \$0.30 per attachment, per side

Attachment – All Others \$0.05 per attachment, per side

f. Subsequent Activity (SUB) \$0.50 per item

g. Financial Activity Report (FAR) \$0.05 per zero to 100,000 items

\$0.04 per 100,001 to 150,000 items

\$0.03 per 150,001 to

¹² Each initial application with a new business attachment will be subject to a \$0.25 discount.

		200,000 items
		\$.02 per 200,001 or greater items
h.	Licensing and Appointments	(L&A)
	\$ L&A Transaction	\$0.35 per item
	\$ Periodic Reconciliation	\$0.15 per item

i.	<u>Request for Replacement</u>	<u>\$5.00 per Request for Replacement</u>
	• <u>Receiving Carrier</u>	<u>\$3.75 per Request</u>
	• <u>Delivering Carrier will pay</u>	<u>\$1.25 per Request</u>
j.	<u>Request for Replacement Status (including incremental statuses)</u>	<u>\$1.00 per Request for Replacement Status</u>
	• <u>Receiving Carrier will pay</u>	<u>\$0.50</u>
	• <u>Distributor will pay</u>	<u>\$0.50</u>

2. Inforce Transaction Fees

a.	Customer Account Transfer Output	\$0.95 per transaction, charged to insurance carrier only
b.	Customer Account Transfer Confirm	\$0.40 per transaction, charged to both the insurance carrier and the receiving firm
c.	Time Expired Transaction	\$0.95 per transaction, charged to both the insurance carrier and the receiving firm
d.	Beneficiary Update Request	No Charge
e.	Beneficiary Confirm	No Charge

f.	Registered Representative Change Request	\$0.70 per transaction, charged to both the insurance carrier and the firm
g.	Registered Representative Change Confirm	\$0.30 per transaction, charged to both the insurance carrier and the firm
h.	Brokerage Identification Number Change Request	\$0.50 per transaction, charged to both the insurance carrier and the firm
i.	Brokerage Identification Number Change Confirm	\$0.20 per transaction, charged to both the insurance carrier and the firm
j.	Fund Transfer	\$1.25 per request (charged to both the insurance carrier and the firm)
k.	Values Inquiry	\$.35 per inquiry (includes response)

T. Global Clearance Network Service

1. Instruction Processing Fees

a.	Receipt of transaction instructions from a Member via CPU/CPU or I.P.C.	\$2.25 per item
b.	Rejects - each instruction submitted resulting in a rejection	\$.75 per item
c.	Processing of Accepted Instructions - forwarding of instruction to agent bank	\$.75 per item

2. Reporting Fees

Receipt of Reports - fee charged
each day a Member is sent a set of
reports, per location, based on the

method of distribution

- a. Machine Readable Output (MRO) \$10.00 per item
- b. Print Image Output \$20.00 per item
- c. Hardcopy or Mail \$50.00 per item
- U. International Link Service-Transaction Fees Per Agreement with Link Service Participant
- V. Account Information Transmission Service for each Member participating in the service \$200.00 per month
- W. Alternative Investment Products ("AIP")
 - ~~a. High Volume Trades \$6.00 per trade~~
 - ~~b. Record Transmission \$0.10 per record~~
 - a. Non-Traded REITs and Managed Futures¹³
 - (i). Records
 - A. The first 2,999,999 records per calendar year \$0.10 per record
 - B. The next 1,000,000 records per calendar year¹⁴ \$0.09 per record
 - C. The next 1,000,000 records per calendar year¹⁵ \$0.08 per record
 - D. All additional records¹⁶ \$0.07 per record

¹³ The charges listed below for "Non-Traded REITs and Managed Futures" apply to all entities processing such products through AIP; however, the maximum charge for broker/dealers in this regard is a cumulative maximum (for submission of records and trades) of \$50,000 per calendar year.

¹⁴ i.e., the 3,000,000th to 3,999,999th records submitted in a calendar year.

¹⁵ i.e., the 4,000,000th to 4,999,999th records submitted in a calendar year.

- ii. **Trades**
 - A. **The first 10,000 trades per calendar year** **\$5.00 per trade**
 - B. **The next 10,000 trades per calendar year¹⁷** **\$4.75 per trade**
 - C. **The next 10,000 trades per calendar year¹⁸** **\$4.50 per trade**
 - D. **All additional trades¹⁹** **\$4.00 per trade**
- b. **Hedge Funds and Other Investment Products (Other than Non-Traded REITs and Managed Futures)**
 - i. **Records** **\$1.00 per record**
 - ii. **Trades** **\$30.00 per trade**

V. PASS-THROUGH AND OTHER FEES

A. Participant Fees - represents the monthly fee for each number assigned to a Member or Municipal Comparison Only Member for participation by each Member or Municipal Comparison Only Member under such number in one or more of the specified services provided by the Corporation. The services and their related base fees are:

1. Trade Processing System

¹⁶ **i.e., the 5,000,000th and higher records submitted in a calendar year.**

¹⁷ **i.e., the 10,001st to 20,000th trades submitted in a calendar year.**

¹⁸ **i.e., the 20,001st to 30,000th trades submitted in a calendar year.**

¹⁹ **i.e., the 30,001st and higher trades submitted in a calendar year.**

	For Members	\$300 per month, per account
2.	Trade input, either (a) as a Service Bureau or (b) by an affiliated Service Bureau	\$250.00 per month
3.	Global Clearance Network Service	\$100.00 per month
4.	International Link Service	Per Agreement with Link Service Participant
B.	Special Service Fees:	
1.	Commission Billing:	
	a. Debit	\$.50 per item
	b. Credit	\$.50 per item
2.	DTC Sponsored Accounts – available to each CNS participant who is not also a participant of DTC:	Cost
3.	Output Fees	
	a. Machine Readable Output	\$10.00 per tape
	b. Service Bureau Tapes	\$2.50 per tape
	c. Magnetic Tape not returned	\$20.00 per tape
	d. Printed Output Reports:	
	For Members with less than 20,000 lines per month	No charge
	For Members with 20,000 or more lines per month	\$4.00 per each 1000 lines
4.	Microfiche Reports	\$3.00 per fiche
5.	Special Research	\$25.00 per hour

6.	Domestic Portfolio Composition File	\$125.00 per month per file
7.	Foreign Portfolio Composition File	\$125.00 per month per file
C. Pass-Through Expenses:		
1.	Communications	
	a. Communications Access	Cost
	b. Telephone toll calls	Cost
	c. Failure to migrate from legacy networks to SMART and/or SFTI	Cost ²⁰
2.	Forms	Cost
3.	Miscellaneous Expenses: Any other expense not specified above, whether one-time or recurring, which the Corporation may incur on behalf of a Member at a Member's request	Cost
D. (1)	Each item submitted in paper form (except Envelope Settlement Service, Funds Only Settlement Service, Dividend Settlement Service, Correspondent Delivery and Collection Service, and Automated Customer Account Transfer Service Transfer Initiation Form)	\$.50 per item
(2)	Each ACAT Transfer Initiation Form submitted in paper form	\$1.00 per item
E.	Line of Credit Commitment Fee	Current month's cost -- pro rata monthly among Letter of Credit users based upon previous month's utilization
F.	Global Clearing Network Service P.C.	\$125.00 per month

²⁰ The entire cost of supporting the legacy network connections will be allocated among the remaining users pro rata.

Access/Hunt group Fee

VI. COLLECTION CHARGE

The Corporation may also bill Members and Mutual Fund/Insurance Services Members for, and include on Members' and Mutual Fund/Insurance Services Members' (referred to in this section collectively as "participants") settlement statements, fees and charges which may be imposed on such participants by third parties such as: (a) other subsidiaries of The Depository Trust & Clearing Corporation (b) self-regulatory organizations and other security industry organizations or entities, where such third party has represented to the Corporation that it has an agreement with the participant allowing the participant's payment of such fees and charges; and (c) other organizations and entities which provide services or equipment to participants which are integral to services provided by the Corporation. Any amounts so collected will be remitted to the appropriate organization or entity imposing such fee or charge.

Such fees and charges may include those of companies that identify themselves as being an affiliate of the participant. Participants should check their settlement statements, which shall reflect all such charges, and report any problems to the Corporation immediately.

VII. APPLICATION OF FEES

With the exception of certain registered clearing agencies, all fees will be charged uniformly to all participants and collected through the settlement system if possible. ~~Charges will not be made to registered clearing agencies for inter-clearing corporation OTC trade comparison if the agency provides its own intra-clearing corporation OTC trade comparison, or for interface processing.~~ Fees for other standard services provided to registered clearing agencies will be the same as those charged to other participants. Special services performed for ~~other registered clearing agencies such as intra-clearing corporation OTC trade comparison and sharing of branches,~~ will be contracted on an individual basis.

VIII. NSCC PRICING POLICY

The Corporation's policy is to retain only those revenues which are required to maintain an adequate revenue base in order to liquidate current production costs, provide for a continuance of product enhancements and development, provide for a discount when volume

levels equal or exceed projections and provide for retained earnings as directed by the Board. In order to meet such objectives, the Corporation will:

If the Corporation's gross billable revenues before adjustment (i.e., revenues before discount) exceed the approximate level of costs, adjust downward (i.e., discount) participants' invoices.

If the Corporation's gross billable revenues before adjustment (i.e., revenues before surcharge) are less than the approximate level of costs, adjust upward (i.e., surcharge) participants' invoices.

Both the discount and the surcharge when applicable will be reflected directly on participants' invoices.