

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 6766
P&S# 6336
Date: December 31, 2008
To: ALL PARTICIPANTS
Attention: MANAGING PARTNER/OFFICER, OPERATIONS
PARTNER/OFFICER, COMPLIANCE OFFICER
From: Paula Arthus, Managing Director, Relationship Management
Subject: 2009 Fee Revisions

NSCC's Operations and Planning Committee has approved fee revisions for 2009 to selected NSCC product lines, as described below. The NSCC fee adjustments affect Clearing Services, Wealth Management and Insurance business lines. These adjustments reflect NSCC's ongoing effort to "right-size" fees in accordance with changes to the market structure to accurately reflect NSCC cost drivers. These fee adjustments are expected to reduce participant fees by \$37.6 million over the next year. This is in addition to the \$24 million projected effect of the mid-2008 clearing fee reductions.

These changes include:

- Fee reductions to Equity trade recording and netting.
- Fee reductions to Wealth Management Service's Fund/SERV.
- Fee reductions to Insurance Service's Position and Valuations (POV) and Financial Activity Reporting (FAR).

In 2008, DTCC adopted a policy change at the clearing corporations so that realized margin in any given month that exceeded a targeted margin level would be returned in the monthly discount for eligible services. DTCC will continue to accelerate our rebate/discount process by returning any margin in excess of 15% in 2009 to NSCC participants in these eligible services on a monthly basis.

The details of the revisions to NSCC's fees can be found on the attached 2009 NSCC Service Fee Revision document. Appropriate rule filings will be made with the Securities and Exchange Commission. Concurrent with the implementation of NSCC fee changes, DTC and FICC are also issuing Important Notices for fee changes (see DTC Important Notice B# 4380-08 and FICC Important Notice MBS258.08 & GOV143.08) All fees are scheduled to become effective **January 2, 2009** for billing in February 2009

If you have any questions regarding the fee revisions or would like to discuss the impact the changes will have to your firm's bill, please contact your Relationship Manager.



2009 NSCC Participant Fee Changes

Fee ID	Service	Existing Fee	2009 Fee	Per
Wealth Management				
2287	Fund/SERV (Settling)	\$ 0.075	\$ 0.050	Per side, per order, or per transfer request
2361	Fund/SERV (Processing Only)	\$ 0.075	\$ -	Per side, per order, or per transfer request

Insurance Services				
2306	Financial Activity Reporting	\$ 0.05	\$ 0.05	zero to 100,000 items
2306	Financial Activity Reporting	\$ 0.05	\$ 0.04	100,001 to 150,000 items
2306	Financial Activity Reporting	\$ 0.05	\$ 0.03	150,001 to 200,000 items
2306	Financial Activity Reporting	\$ 0.05	\$ 0.02	over 200,001 items
2304	Initial Application	\$ 3.00	\$ 1.50	zero to 1,999 items
2304	Initial Application	\$ 2.00	\$ 1.00	2,000 to 3,499 items
2304	Initial Application	\$ 1.00	\$ 0.50	over 3,499 items
2304	Initial Application with New Business Attachment	\$ -	\$ (0.25)	Per Item
2293	Participant Membership, level 1	\$ 335.00	\$ -	Per Month for 1 qualified membership
2299	Participant Membership, level 2	\$ 550.00	\$ -	Per Month for 2 to 5 qualified memberships
2300	Participant Membership, level 3	\$ 750.00	\$ -	Per Month for 6 or more qualified memberships
2516	PFF Positions	\$ 8.00	\$ 3.00	Per 1,000 items per month zero to 500,000
2516	PFF Positions	\$ 4.00	\$ 1.50	Per 1,000 items per month 500,001 to 2,000,000
2516	PFF Positions	\$ 3.00	\$ 1.00	Per 1,000 items per month 2,00,001 to 4,000,000
2516	PFF Positions	\$ 2.00	\$ 0.50	Per 1,000 items per month over 4,000,001
various	Testing Fees	various	\$ -	Per Item

Clearing Services				
	Netting		Tiered	Per side. Fee tiers based on daily average volume per month.
2481	Units	\$ 0.000256	\$ -	Per Item
TBD	Units	N/A	\$ 0.0175	Per item, zero to 1,500 daily average items
TBD	Units	N/A	\$ 0.00096	Per Item, 1,501 to 2,000,000 daily average items
TBD	Units	N/A	\$ 0.0005	Per item, over 2,000,000 daily average items
2482	Into the Net Value	\$ 0.1258	\$ 0.128	Per million dollars.
2483	Out of the Net Value	\$ 0.4555	\$ 0.916	Per million dollars.

Equities Trade Recording				
2484	Sides	\$ 0.000402	\$ -	Per Side
2485	Shares Billed	\$ 0.000375	\$ -	Per 100 shares for each side of each warrant, stock, or right trade entered for settlement but not compared by NSCC, with a minimum fees of \$0.000375 per side (for a side of 100 or fewer shares), and a maximum of \$0.375 per side (for a side of 100,000 or more)

Correspondent Clearing				
2133	Designated Value Delivery	\$ 0.0125	\$ -	Per Side

Equities Other Service				
2191	Special EDP Tape Output	45.00	\$ -	Per report, as requested by participant
Envelope Settlement System				
2103	Account Fees -ESS - IESS - FOSS	50.00	\$ -	Per month, per participant number assigned.
Dividend Settlement Service				
2105	Dividend settlement	50.00	\$ -	Per month, per participant number assigned.

**Envelope Settlement Service (ESS)
Intracility Deliveries (NYC)**

2145	Intracility Deliveries	2.00	\$ 5.00	
2146	Intracility Deliveries (ESS)-Early a.m. zone	5.00	\$ -	
2147	Intracility Deliveries (ESS)-Late a.m. zone	5.00	\$ -	
2148	Intracility Deliveries (ESS)-Reclamations	5.00	\$ -	

Receives

2149	Envelope received or Settled	2.00	\$ 5.00	Per envelope received and settled.
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Intercity Envelope Settlement Services (IESS)

2150	Envelope Settlement-Envelope delivered	5.00	\$ -	
2151	Envelope Settlement-Intercity envelope	5.00	\$ -	

FOSS (NYC Only)

2153	FOSS (NYC Only)-Receive	5.00	\$ -	
2154	FOSS (NYC Only)-Reclamation	5.00	\$ -	



2009 NSCC Participant Fee Changes

Fee ID	Service	Existing Fee	2009 Fee	Per
Special Services				
2417	Courier Service	25.00	\$ -	
2427	OSR Account Fee	250.00	\$ -	
2429	Certificate Fee	At Cost	\$ -	
2435	Postage Costs	At Cost	\$ -	
2436	Insurance Cost	At Cost	\$ -	
2437	Physical Handling and Envelope Delivery Service	At Cost	\$ -	

Corporates and Munis

2415	Municipal Bond Ranking - First 12 Months	1025.00	\$ -	
2416	Municipal Bond Ranking - Thereafter	500.00	\$ -	



2009 NSCC New Fees

Fee ID	Service	Existing Fee	Proposed Fee	Per
Insurance				
2507	Fund Transfers - Transfer Fee	\$ -	\$ 1.25	Per side
2508	Fund Transfers - Inquiry	\$ -	\$ 0.35	Per Inquiry
2514	New Business Attachments	\$ -	\$ 0.30	Per Attachment
2515	Non New Business Attachments	\$ -	\$ 0.05	Per Attachment
Wealth Management				
2518	AIP High Volume Trades	\$ -	\$ 6.00	Per Trade
2519	AIP Record Transmission	\$ -	\$ 0.10	Per Record