

Trading Technology

June 5, 2007



TO: All Members and Member Organizations/Chief Operations Officers/Managing Partners/Operations Managers/Data Processing Managers and P&S Managers of Member Organizations

SUBJECT: OCS Opt-out for Special Settlement and CNS

PT 136

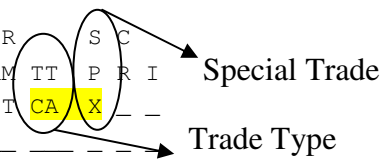
On May 29, 2007, NSCC issued Important Notice P&S 6031 informing users that Cash, Next Day and Seller’s Option trades will be processed in CNS beginning with trade date activity of June 29, 2007. If for any reason an OCS user would like to exclude a Special Settlement trade from participating in CNS, they can elect to opt out by placing an “X” in the Special Trade (SP) column on the OCS Add Screen. This will exclude the comparison side from CNS and users can settle the item trade-for-trade as is currently done for these special settlement instructions.

Sample OCS Add Screen

NYSE	EQUITY SYSTEM	ADD SCREEN	05/29/07	14:37	
MAJOR-FIRM: YYY			USER-NAME: TEST		
TRADE-DATE: 05 25 07					
B		CNTR EXEC	CNTR EXEC	A ENTR	S C
LN	S	QUANTITY	SYMBOL	-----PRICE-----	FIRM BDGE BDGE TIME T FIRM TT P R I
001	B	100	AAA	105	ZZZ 1234 4321 1000 A TEST CA X
002	_	_____	_____	_____	_____
003	_	_____	_____	_____	_____

ALL FIELDS ARE OK. PLEASE VERIFY DATA, AND PRESS PF1 TO UPDATE.

PF KEYS: ENTER=EDIT PF1=UPDATE PF2=SCROLL CLEAR=CANCEL/REFRESH PF12=MENU



NOTE: Both the Buyer and Seller must agree to the “opt-out” provision for the trade to match.

NSCC Processing:

In addition to the opt out provision, cash trades will settle the same day if received by the same day settlement cut-off, otherwise they will be designated as non settling. Any "as-of" next day trades will settle the same day if received by the same day settlement cut-off time, otherwise the trade will be assigned the next settlement day. The specific details are contained in the NSCC Important Notice reference above. Any questions regarding NSCC processing should be forwarded to Bob Yodice at (212) 855-8024.

Any questions regarding OCS should be directed to Larry Moreno at (212) 656-4648 or John Schwarzbeck (212) 656-5462