

Trading Technology

May 14, 2008



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

SUBJECT: OCS Contingency Plan

PT 144

As a normal course of business, the NYSE has developed a contingency plan in the event the NYSE On-line Comparison System (NYSE OCS®) experiences a major processing delay. The following contingency plan will be followed; the National Securities Clearing Corporation (NSCC) will be instructed to complete processing with incomplete comparison data from the NYSE and disseminate the NSCC's NYSE Listed Contract Output to recipients. As soon as practical afterwards, the NYSE will provide a supplemental data feed to the NSCC. The supplemental data will be appended to the next available contract output, on the next business day.

Clearing Firms are being notified in advance so that they can prepare for this contingency accordingly. Listed below is a summary of the potential impacts to the clearing firm community and the procedures to follow.

Clearing Firm Trade Reconciliation:

Clearing Firms may receive incomplete contract output from NSCC (product id 02013036 – MRO, 02010168 – print-image) on the day of the incident.

In addition, the OCS uncomparing output (product id 06010984 MRO, 06011177 print-image) will be delayed and distributed to participants as soon as practical. Participants should expect the output to be extremely late, potentially after midnight (normally the file is sent by 8:00 PM, on trade date). To facilitate trade resolution the uncomparing output will reflect accurate data and will agree with the OCS screens at the start of day.

Clearing firms may realize a significantly larger number of breaks than normal (street side versus customer side) during their internal trade reconciliation process. Firms should not immediately enter missing items into OCS for resolution until they have taken the late OCS Uncomparing file into consideration and processed the supplemental trades reflected on the contract output provided on the next business day.

OCS MQ Users:

Unsolicited MQ messages to Clearing Firms and Service Bureaus ***will not*** be provided after a specific time based on the incident. Supplemental data provided to NSCC on the next business day from the previous processing day will not generate any unsolicited MQ messages.

OCS Screens:

The correct uncomparing data from the date of the incident or older will be reflected on the OCS Uncomparing Screen. Comparing trades provided on the supplemental data feed will appear on the OCS comparing screens to facilitate research. These trades can be identified by the Julian Date of xxx imbedded in the Control Number (ex: 80116893xxx = Date), and by an unusually late OCS Enter Time (ex: "2110", normally all Adds are received prior to the military time of "1900"). Normal trade resolution processing should be performed (firms must take comparing trades contained on the supplemental data file into consideration).

OCS Activity Log:

The OCS Activity Log (product id 06010503) will be made available on the next business day.

Commission Billing

Firm Commission Bill entries made in OCS on the day of the incident ***will not*** be reflected on DTCC's nightly output (02130162 – Daily pre-edit MRO, 02130185 – daily pre-edit print-image. These items will be processed and appear on the Daily pre-edit on the next business day.

NSCC Contract Output

To facilitate the contingency plan, NSCC will accelerate the distribution of the 9:00AM slice to 6:30AM. NSCC will issue a companion circular detailing the effective date of the change.

Any questions regarding this circular should be forwarded to John Schwarzbeck (212) 656-5462 or Larry Moreno (212) 656-4648.