

IMPORTANT NOTICE

National Securities Clearing Corporation



A#5953

P&S#5523

DATE: December 21, 2004

TO: ALL PARTICIPANTS

ATTENTION: MANAGING PARTNER/OFFICER,
CHIEF EXECUTIVE OFFICER
CHIEF OPERATIONS OFFICER
OPERATIONS PARTNER/OFFICER
COMPLIANCE OFFICER

SUBJECT: RULE CHANGE – Amendment to SR-NSCC-2003-11

National Securities Clearing Corporation ("NSCC") has filed with the Securities and Exchange Commission ("SEC") pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934, an amendment to rule filing SR-NSCC-2003-11. The rule filing (that was submitted in 2003) will modify NSCC's Rules and Procedures with regard to 1) the methodology used by the Corporation when performing the surveillance/monitoring of its participants, and 2) the elimination of all participant/applicant questionnaires in their present form.

The full text of the rule change (SR-NSCC-2003-11) and amendments may be obtained by visiting our web site at www.nsc.com. Written comments on the proposed rule filing may be addressed to Lisa T. Siebold, Assistant Secretary, National Securities Clearing Corporation, 55 Water Street, New York, New York 10041, and your comments will be forwarded to the SEC. You may also address your written comments to the Secretary of the Commission, Securities and Exchange Commission, 450 Fifth Street NW, Washington, D.C. 20549. We request that you provide NSCC with a copy of your comments.

Questions regarding the above filing should be directed to Lisa Siebold at (212) 855-3206, or to the undersigned at (212) 855-3203.

Karen L. Saperstein
Managing Director and General Counsel