

IMPORTANT NOTICE

National Securities Clearing Corporation



A#6181

P&S#5751

DATE: December 29, 2005

TO: ALL PARTICIPANTS

ATTENTION: MANAGER MUTUAL FUNDS OPERATIONS,
MANAGER DATA PROCESSING, MANAGER CASHIERS,
MANAGER P&S DEPARTMENT

FROM: MUTUAL FUND SERVICES

SUBJECT: NETWORKING SCRUB FILE & FUND ACCOUNT RESPONSE

Effective April 10, 2006, National Securities Clearing Corporation (NSCC) will enhance the Broker and Fund Conversion streams in the Mutual Funds Networking Service. The enhancements will provide a process for reconciliation of non-financial account information between funds and firms. A scrub file and a fund account response indicator will be added to the Mutual Funds Networking Service. The modifications will be supported using existing Networking records; the changes are optional for firms.

Scrub File

A fund will send a scrub file to a firm at a firm's request for non-financial information on its Networked accounts. Scrub files are created by using the existing **Fund Conversion (F51)** records with a new **Scrub Indicator**. Scrub files will be sent through the Fund Conversion stream in Networking.

Firms may request a Scrub file by contacting a fund directly, i.e. phone or fax. Firms will receive Scrub files in the existing **Fund Conversion** output stream on AutoRoute file #02102084 Monday through Saturday. It is recommended that funds and firms coordinate their transmission dates.

Fund Account Set-Up Response

A firm may request a full set of F51 records for a particular Networked account by populating the new **Fund Account Response Indicator on the Broker Conversion record (B50/B51)**. The fund will respond with the **Fund Conversion record (F51)** and the new **Fund Account Response Indicator**.

The **Fund Account Response Indicator** will distinguish the F51 record from the regular F51 records in the **Fund Conversion** stream (DataTrak SYSID #26598). Firms will receive **Fund Account**

Response records (F51) in their existing **Fund Conversion** output stream on AutoRoute file #02102084. **Fund Conversion** files including **Fund Response** records (F51) are accepted Monday through Saturday.

Record Layouts

**Account Conversion/Update/SCRUB (B/T50, B/T/F51) #1
Input/Output**

The firm uses record type 50 to establish a Networking account at the fund. Record Type 51 allows the firm or fund to update an existing Networking account. **Fund uses Record Type 51 to send non-financial (Scrub) information.** The modifications are in bold below.

Field Name	Start	End	Len	Type	Description	Opt/Req. 50/51
System Code	1	1	1	A/N	B = Firm F = Fund T = TPA	R/R
Record Type	2	3	2	N	50 = New Account 51 = Update to Existing Account, Scrub	R/R
Sequence Number	4	5	2	A/N	01	R/R
Clearing/Settling Firm Number	6	9	4	N		R/R
Reference Number	10	20	11	A/N	Must be valid if used.	O/O
Network Control Indicator	21	21	1	A/N		R/R
Security Issue Number	22	30	9	A/N		R/R

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Scrub Indicator	81	81	1	A/N	0 = N/A 1 = Scrub record '1' is allowed for System Code = 'F' only	O/O
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Fund Account Response Indicator	82	82	1	A/N	0 = Fund should NOT send a Fund Account Response record (F51) to the firm. 1 = Fund should ALWAYS send a Fund Account Response record (F51) to the firm. 2 = Fund should ONLY send a Fund Account Response record (F51) to the firm if the fund could not comply with the firm's instructions.	O/O
Filler	83	98	16	A/N	Space	R/R
Filler/Reject Code	99	100	2	A/N	Input: Space Output: Reject Code	R/R

Changes to the affected record layouts may be found on NSCC's Mutual Fund Services website, <http://funds.dtcc.com>.

Chart

The chart below summarizes how the various fields and records in the **Fund and Firm Conversion** streams in Networking are used.

Note: **Fund Account Response Indicator** and **Scrub Indicator** are mutually exclusive; at least one of them should be equal to zero or space on the same record. However, Networking System edits will NOT enforce this rule.

EXAMPLES AND USAGE	FIRM B50/B51-Fund Account Response Indicator	FUND F51-Scrub Indicator	FUND F51- Fund Account Response Indicator
Scheduled Scrub	0 or Space	1	0 or Space
One-Off Scrub	0 or Space	1	0 or Space
No Fund Account Response Requested	0 or Space	0 or Space	0 or Space
Always Send Fund Account Response	1	0 or Space	1
Send a Fund Account Response Only if fund cannot comply with firm instructions	2	0 or Space	2

Fund Conversion & Update (Normal Processing)	0 or Space	0 or Space	0 or Space
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Testing

Effective Monday, March 27, 2006, testing of the new record layouts will be accommodated in the Participant Services Environment (PSE) region. Participants wishing to test must contact the Enterprise Service Center (ESC) by calling the NSCC Production Support Hotline at 212-855-1144, option 5, option 2. To ensure proper set up for the PSE region, at least three days prior notice should be provided to ESC.

Please note that participants need to obtain a partner in order to test in the PSE. PSE does not have and cannot provide canned data.

PC Web Direct Changes

Changes supporting the modifications will be made on existing Networking input screens and reports.

Any questions or concerns regarding this Important Notice can be directed to Mutual Fund Marketing at 212-855-8877, your relationship manager or the undersigned at 212-855-5674.

Randy W. Solomon
 Director, Mutual Funds
 Product Management, Distribution Services