

IMPORTANT NOTICE

National Securities Clearing Corporation



A#6290

P&S#5860

DATE: August 18, 2006

TO: ALL PARTICIPANTS

ATTENTION: MANAGING PARTNER/OFFICER
OPERATIONS PARTNER/OFFICER, CASHIER
MANAGER P & S DEPARTMENT
MANAGER DATA PROCESSING DEPARTMENT

FROM: CNS Product Management

SUBJECT: CNS Exemption and Priority Instructions on PBS

Beginning Monday August 28, 2006, Participants will be able to view, enter, delete or modify exemption and priority instructions sent to CNS using a new function in PBS. This function can be accessed by clicking on the "CNS Instructions" hyper-link on the Settlement Services screen within the PBS system.

Participants can also view, delete or modify exemption and priority instructions sent to NSCC via DataTrack sys ID 06121 using this new function.

Participants that manually add CNS exemption and priority instructions using the current PTS or PBS functions are advised that these functions will be disabled in January 2007.

Please contact your Relationship Manager to sign up for this new service. For additional information, please call Vincent McDevitt 212-855-5694 or Elena Staloff at 212-855-5699.

Vincent McDevitt
Director
Product Management

Elena Staloff
Director
Product Management