

Exhibit A

(Amendment No. 1 to SR-NSCC-2003-03. Revised: March 14, 2003)

TEXT OF PROPOSED CHANGES TO NSCC'S RULES AND PROCEDURES

Highlighted and Boldfaced text indicates changes approved under SR-NSCC-2001-07, which have not yet been implemented.

Boldfaced and double underlined text indicates additions to NSCC's Rules and Procedures.

~~[Double Strikethrough and Bracketed]~~ text indicates deletions to NSCC's Rules and Procedures.

VII. CNS ACCOUNTING OPERATION

J. Recording of CNS Buy-Ins

Except with respect to securities subject to a voluntary corporate reorganization as described in paragraph ~~[I]~~**H**.4. of this Section, a Member having a long position at the end of any day may **[submit] transmit, in such ~~[a format]~~ form as determined by the Corporation from time to time**, to the Corporation a Notice of Intention to Buy-In (Buy-In Notice) specifying a quantity of securities not exceeding such long positions which it intends to buy-in (Buy-In Position). With respect to securities subject to a voluntary corporate reorganization, a Member may not **[submit] transmit** a Buy-In Notice after the expiration date of the tender offer until the end of the protection period for the tender offer; provided, however, that at no time may a Member submit a Buy-In Notice for a long position in a CNS Reorganization Sub-Account. For the purpose of this Section, the day the Buy-In Notice is **[submitted] transmitted** is referred to as N, and N+1 and N+2 refer to the succeeding days. Each day commences in the evening and includes an evening allocation of securities and a daytime allocation. The Buy-In Position is given high priority for allocation through N+2.

A Buy-In Notice may be filed by a Member on successive days, provided the succeeding Buy-In Notice does not specify a quantity of securities covered by the prior Buy-In Notice and the quantity of securities representing the sum of the Buy-In Notices does not exceed the Member's total long position.

NOTE: Same day and next day Buy-Ins against CNS Positions are not permitted.

If a Buy-in Position remains unfilled after the evening allocation on N+1, the Corporation issues Retransmittal Notices on the morning of N+1 to a sufficient number of Members with short positions. Retransmittal Notices are issued in an aggregate quantity at least equal to the Buy-in Position. In no case will the Buy-in **[L]** liability of a Member exceed the Buy-in Position or the total short position of the Member. If several Members have short Positions with the same age, all such Members are issued Retransmittal Notices, even if the total of their Short Positions exceeds the Buy-in Position.

The quantity specified on each Member's Retransmittal Notice is its Buy-In Liability.

A Member's Buy-In Liability may be satisfied by the actual settlement of the short position up to ~~[the completion of the day allocation]~~ **the time** on N+2 **as specified below**. If a deposit of securities is required to satisfy the short position, that deposit should be made prior to the Designated Depository daytime deposit cut-off time on N+2 **and prior to the time specified below**. Going from a short position to a flat or long position due to settling trades, stock dividends, or other activity on N+2 does not free a Member from Buy-In Liability. If the Buy-In Position is not satisfied ~~[at the end of the day cycle]~~ on N+2 **by 3:00 PM, or, due to market events, such earlier time as established by the Corporation upon five Business Days' notice** (except for transactions in municipal securities for which, pursuant to Section **[X(A)(2)] X.A.2.** of these Procedures, the Corporation will produce special close-out receive and deliver orders) the Buy-In may be executed. See Section X for execution procedures.

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X. EXECUTION OF BUY-INS

A. CNS System

1. Equity Securities and Corporate Debt Securities

A Member who has ~~[submitted]~~ **transmitted** a Buy-In Notice under subsection J of section VII **(the originator)** and not received the Buy-In Position shown on his Notice ~~[by the end of the day cycle]~~ **by the time specified in such subsection** on N+2 may instruct the Corporation to buy-in the remaining position by **[delivering] transmitting** a Buy-In Order to the Corporation, **in such** ~~[a format]~~ **form as determined by the Corporation from time to time**, prior to the time therefore on N+2 specified by the Corporation.

Members who receive Retransmittal Notices and do not satisfy them (Subject Members) assume liability for the loss, if any, which occurs as a result of the buy-in. Those Members with the oldest short positions after the evening cycle on N+2 will first be held liable for an executed buy-in.¹

¹If pursuant to the preceding paragraph the originator transmits to the Corporation and does not timely rescind a Buy-In Order, notwithstanding any agreements that may have been entered into between such Subject Member(s) and the originator, such Subject Member(s) shall remain liable for the executed buy-in.

The Buy-In Order is executed by the Corporation in such marketplace and through such agents as it shall elect. The quantity bought-in is pro rated among the Subject Members.

N.B. If the Buy-In Order is not executed on N+2, the Buy-In Order will not be executed thereafter, and it will be necessary for the originator to recommence the Buy-In Procedure in order to have his long position bought-in.

When a Buy-In Order has been executed, the quantity bought-in will be removed from the long position of the originating Member and the contract money will be credited to his account by journal entry. The short positions of the Subject Members will be reduced by the portion of the quantity bought-in allocated to each, and the appropriate portion of the contract money will be debited to their accounts, by journal entry. These journal entries will be processed by the evening of the day the Buy-In execution is reported and will affect the CNS records on such day and be reported in the Miscellaneous Activity Report for such day.

NOTE: At the same time the originator submits a Buy-In Order to the Corporation under the CNS System, the Buy-In Order should contain instructions for execution on a cash, next day or regular-way ex-CNS basis (Special Trade).