

MEMORANDUM

TO: File Nos. SR-NSCC-2013-02 and SR-NSCC-2013-802

FROM: Division of Trading and Markets, U.S. Securities and Exchange Commission
 (“Commission”)

DATE: April 16, 2013

RE: Meeting with Representatives from Fidelity Investments and Charles Schwab

On Wednesday, April 10, 2013, staff from the Commission’s Division of Trading and Markets; the Commission’s Division of Risk, Strategy and Financial Innovation; the Board of Governors of the Federal Reserve; and the Federal Reserve Bank of New York met with representatives from Fidelity Investments and Charles Schwab regarding a proposal filed by National Securities Clearing Corporation with the Commission as proposed rule change SR-NSCC-2013-02 (Release No. 34-69313) and as advance notice SR-NSCC-2013-802. The attached agenda was provided in advance.

Draft Agenda for SEC Meeting

Introductions

Schwab

- Jeff Brown
- Peter Morgan
- Paul Clark

Fidelity

- Michael Kearney
- Lisa Rosenbaum Jager
- Jim Febeo

Concerns with NSCC Proposal

- Lack of Transparency
 - While in development for 18 months, limited or no advance disclosure of certain substantive terms
 - Limited or no disclosure of certain terms to members prior to filing Form 19b-4
- No Examination of Alternative Solutions with respect to Methods of Satisfying Supplemental Liquidity Deposit Requirements
 - No examination of alternatives that were explored or explanation of why they were not
 - Depending on member corporate structure, rejected methods of compliance imposes varying burdens