

Name and Address:

National Clearing Corporation
1735 K Street, NW
Washington, DC 20006

Details of organization:

Stock corporation organized under the General Corporation Law of the State of Delaware on December 4, 1961.

Affiliation:

National Clearing Corporation is a wholly owned subsidiary of National Association of Securities Dealers, Inc ("NASD")

Business or functions:

National Clearing Corporation is not engaged in business activities at the present. National Clearing Corporation owns a minority interest in The Depository Trust & Clearing Corporation ("DTCC"). Because NASD and National Clearing Corporation do not control DTCC, however, DTCC and its subsidiaries are not affiliates of NASD.

Certificate of Incorporation:

Attached as Exhibit A.

By-Laws:

Attached as Exhibit B.

Officers, Governors, and Standing Committee Members

Director and Officer: James R. Allen

A

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "NATIONAL CLEARING CORPORATION" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF INCORPORATION, FILED THE FOURTH DAY OF DECEMBER, A.D. 1961, AT 10 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, FILED THE SIXTEENTH DAY OF SEPTEMBER, A.D. 1970, AT 10 O'CLOCK A.M.

CERTIFICATE OF OWNERSHIP, CHANGING ITS NAME FROM "NATIONAL OTC CLEARING CORPORATION" TO "NATIONAL CLEARING CORPORATION", FILED THE THIRTIETH DAY OF SEPTEMBER, A.D. 1971, AT 10 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, FILED THE TWENTY-FIRST DAY OF OCTOBER, A.D. 1971, AT 10 O'CLOCK A.M.



Edward J. Freel

Edward J. Freel, Secretary of State

0576215 8100H

001280180

AUTHENTICATION: 0474243

DATE: 06-02-00

CERTIFICATION OF INCORPORATION
OF
NATIONAL OTC ELECTROLOG CORPORATION

RECEIVED & FILED

DEC 4 1966

[Handwritten signature]

CERTIFICATE OF INCORPORATION
of
NATIONAL OTC CLEARING CORPORATION

FIRST. The name of the corporation is NATIONAL OTC CLEARING CORPORATION.

SECOND. Its principal office in the State of Delaware is located at No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name and address of its resident agent is: The Corporation Trust Company, No. 100 West Tenth Street, Wilmington 99, Delaware.

THIRD. The nature of the business, or objects or purposes to be transacted, promoted or carried on are:

To provide those securities dealers and other persons, firms and corporations for whom it may act with facilities for clearing contracts between them and for delivering securities to and receiving securities from each other and for procuring the transfer of securities upon the books of the corporations or associations issuing the same and for procuring the exchange of any securities for any other securities and for receiving or paying any amounts payable to or payable by such securities dealers, persons, firms and corporations in connection with any of the foregoing transactions or in connection with any loans made by or to them; to act for such securities dealers and such other persons, firms and corporations as shall employ it upon terms and conditions satisfactory to it, as agent, in clearing contracts between such securities dealers, and such other persons, firms and corporations and in delivering securities to and receiving securities from such securities dealers, and

such other persons, firms and corporations and in procuring the transfer of securities upon the books of the corporations or associations issuing the same and in procuring the exchange of any securities for any other securities and in receiving from and paying to such securities dealers, persons, firms and corporations any amounts payable to or payable by them in connection with any of the foregoing transactions or in connection with any loans made by or to them; to enter into all such contracts and to do all things necessary or proper to carry out the foregoing purposes.

To organize and to finance, by purchase of securities, loans or otherwise, one or more corporations to carry out the foregoing purposes or operations incidental thereto, and to hold the securities and manage and supervise the operations of, and to furnish management and other services to, any such corporation.

To acquire, own and hold and to guarantee, sell, pledge or otherwise dispose of or deal in the capital stock and other securities, obligations, choses in action and evidences of interest issued or created by any corporations, joint stock companies, associations, trusts or other persons, or by the Government of the United States of America, or any foreign government, or by any state, territory, province, municipality or other political subdivision, or by any governmental agency, and as owner thereof to possess and exercise all rights, powers and privileges of ownership, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

To transact business, and to purchase, hold, own, lease, mortgage, sell and convey any and all property, real and personal, necessary, convenient or useful for the purposes of the corporation, in any part of the United States of America.

In general, to carry on any other operation or business in connection with the foregoing, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the

General Corporation Law of the State of Delaware, and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

The objects and purposes specified in the foregoing clauses shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this certificate of incorporation, but the objects and purposes specified in each of the foregoing clauses of this Article shall be regarded as independent objects and purposes.

FOURTH. The total number of shares which the corporation shall have authority to issue is eleven thousand (11,000), of which one thousand (1000) shares of the par value of One Hundred Dollars (\$100.00) each, amounting in the aggregate to One Hundred Thousand Dollars (\$100,000), shall be Limited Stock and of which ten thousand (10,000) shares without par value shall be Common Stock.

The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions of the Limited Stock and the Common Stock are as follows:

A - The Limited Stock

1. The Limited Stock shall be designated "Limited Participation Voting Stock".

2. The Limited Stock shall be initially issued to the National Association of Securities Dealers, Inc., a Delaware corporation registered as a national securities association pursuant to Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78 o-3). The Limited Stock may not, without the consent of the corporation, be sold, pledged or otherwise transferred except to a national securities association registered under said Section (or any similar provision of Federal law). In the event of any attempted sale, pledge or other transfer in violation of this paragraph all Limited Stock outstanding shall be redeemable by the corporation at its par value.

3. The Limited Stock shall be entitled to one vote for each share on all matters submitted to vote of shareholders. In the election of directors the Limited Stock shall have the right, voting as a class, to elect two members of the board of directors of the corporation.

4. The Limited Stock shall be entitled to receive share for share with the Common Stock non-cumulative dividends up to a total distribution of Six Dollars (\$6.00) per

share per annum as and when declared by the board of directors out of any funds of the corporation legally available for the payment of dividends.

5. Upon the dissolution, liquidation or winding up of the affairs of the corporation, the Limited Stock shall be entitled to participate share for share with the Common Stock in any assets available for distribution up to a total amount of One Hundred Dollars (\$100.00) per share, and shall not participate in any distribution in excess of that amount.

6. No holder of Limited Stock shall, as such holder, have any preemptive right in or to subscribe for any additional shares of stock of any class, or in or to subscribe for securities convertible into stock of any class.

B - The Common Stock

1. The Common Stock shall be initially issued only to members in good standing of the National Association of Securities Dealers, Inc. Common Stock may not be sold or otherwise transferred to any person, firm or corporation which is not a member in good standing of the National Association of Securities Dealers, Inc., or to any person, firm or corporation which following such sale or transfer will own, directly or indirectly, more than five per cent

of the Common Stock outstanding. Each holder of Common Stock shall give to the corporation such notice of any proposed sale or other transfer, or of any termination of or suspension from membership in the National Association of Securities Dealers, Inc., and shall afford to the corporation such options, rights of first refusal or other rights to acquire or control the disposition of shares of Common Stock as may from time to time be provided by the By-laws or in uniform written agreements with holders of Common Stock.

2. The Common Stock shall be entitled to one vote for each share on all matters submitted to vote of shareholders. In the election of directors the Common Stock shall have the right, voting as a class, to elect all directors of the corporation except the two directors to be elected by the holders of the Limited Stock.

3. The Common Stock shall be entitled to such dividends as the board of directors may declare out of any funds of the corporation legally available for the payment of dividends. Dividends shall be payable share for share on shares of Limited Stock and shares of Common Stock up to Six Dollars (\$6.00) per share per annum. Any dividend payments in excess of Six Dollars (\$6.00) per share per annum shall be payable only on Common Stock.

4. Upon the dissolution, liquidation or winding up of the affairs of the corporation, the Common Stock shall be entitled to participate share for share with the Limited Stock in any assets available for distribution up to One Hundred Dollars (\$100.00) per share of Limited Stock and Common Stock. The Common Stock shall be entitled to share pro rata in any assets available for distribution in excess of One Hundred Dollars (\$100.00) per share, without any participation of the Limited Stock in such excess distribution.

5. No holder of Common Stock shall, as such holder, have any preemptive right in or to subscribe for any additional shares of stock of any class, or in or to subscribe for securities convertible into stock of any class.

FIFTH. The minimum amount of capital with which the corporation will commence business is One Thousand Dollars (\$1,000).

SIXTH. The names and places of residence of the incorporators are as follows:

<u>Name</u>	<u>Residence</u>
W. Crosby Roper, Jr.	3405 O St., N.W. - Washington, D.C.
Frederick Simpich	3344 Volta Place, N.W. - Washington, D. C.
James T. Holland, Jr.	3137 Martha Custis Drive Alexandria, Va.

SEVENTH. The corporation is to have perpetual existence.

EIGHTH. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

NINTH. The number of directors of the corporation shall be fixed from time to time by the By-laws of the corporation, but shall not be less than nine (9) nor more than eleven (11). No director need be a stockholder of the corporation. Any director may be removed at any time by vote, at a special meeting called for the purpose, of the holders of the majority in amount of the issued and outstanding stock of the class by which he (or, if he was appointed to fill a vacancy, his predecessor) was elected.

In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized:

To make, alter or repeal the By-laws of the corporation, and to adopt rules and regulations for the conduct of the business of the corporation, subject in each case to such limitations as may be set forth in the By-laws.

To authorize and cause to be executed mortgages and

liens upon the real and personal property of the corporation.

To set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

By resolution passed by a majority of the whole board, to designate one or more committees, each committee to consist of two or more of the directors of the corporation, which, to the extent provided in the resolution or in the By-laws of the corporation, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the By-laws of the corporation or as may be determined from time to time by resolution adopted by the board of directors.

TENTH. Meetings of stockholders may be held outside the State of Delaware, if the By-laws so provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the By-laws of

the corporation. The voting for directors at any meeting of stockholders need not be by ballot unless the By-laws so require.

ELEVENTH. The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this *29th* day of *November*, 1961.

H. Crosby Roberts, Jr. (SEAL)

Frederick Shipman (SEAL)

James F. Howard, Jr. (SEAL)

United States of America }
District of Columbia } ss:

BE IT REMEMBERED that on this 29th day of
November , A.D. 1961 , personally came before me,
a Notary Public for the District of Columbia , W. Crosby
Roper, Jr., Frederick Simpich and James T. Holland, Jr.

all of the
parties to the foregoing certificate of incorporation,
known to me personally to be such, and severally acknowledged
the said certificate to be the act and deed of the signers
respectively and that the facts therein stated are truly
set forth.

GIVEN under my hand and seal of office the day
and year aforesaid.



Ruth M. Miles

Notary Public

My Commission Expires May 14th, 1966.

CERTIFICATE OF AMENDMENT
OF
NATIONAL CLEARING CORPORATION

5762-15

FILED

OCT 21 1971 10 AM

E. J. K.

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
NATIONAL CLEARING CORPORATION
[Pursuant to Section 242 of the
Delaware General Corporation Law]

NATIONAL CLEARING CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

(1): That the Board of Directors of said corporation duly adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended in its entirety so that, as amended, it shall read as follows:

CERTIFICATE OF INCORPORATION
OF
NATIONAL CLEARING CORPORATION

FIRST: The name of the corporation is NATIONAL CLEARING CORPORATION.

SECOND: The address of its registered office in the State of Delaware is 100 West 10th Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware, and without limiting the generality of the foregoing, shall include the following:

To investigate, study, organize, develop, maintain and operate, and to contract with others for the investigation, study, organization, development, maintenance or operation of, methods, means and systems for clearing securities transactions, including, but not limited to receipts of reports of securities transactions, computerized comparisons of reports, receipts and deliveries of securities and payments, settlements of securities transactions by means of debits and credits to accounts and transfers of securities and funds, and all other actions necessary for the completion of securities transactions.

To establish terms, conditions, rules, regulations and orders for the operation, maintenance and regulation of methods, means and systems established by the corporation, and for the protection of investors and the public interest and the removal of impediments to and the perfection of the mechanism of a free and open market, which rules shall be binding upon all Persons clearing or settling securities transactions through the Corporation after they have been submitted to the Securities and Exchange Commission and shall have been declared effective.

FOURTH: The corporation is authorized to issue a total of ten thousand (10,000) shares of common stock and the par. value of each share shall be One Dollar (\$1.00).

This corporation is not organized for and shall not be operated for profit; no part of its net revenues or earnings shall inure to the benefit of any individual or shareholder; no substantial part of its activities shall be carrying on propaganda, or otherwise attempting to influence legislation; and it shall

not participate in, or intervene in, any political campaign on behalf of any candidate for public office.

FIFTH: The name and mailing address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Kevin Keogh	c/o Breed, Abbott & Morgan 1 Chase Manhattan Plaza New York, New York 10005

SIXTH: The Directors of the corporation, as of the date of this amended certificate, are as follows:

James J. Barbi	Gordon S. Macklin
Peter C. Barnes	William S. Mason, Jr.
Henry W. Binesult	David H. Morgan
Roger E. Birk	W. Stewart Storie
Robert M. Gardiner	Richard B. Walbert
John H. Kirvin	John D. Weeden

SEVENTH: The directors of the corporation shall have the power to make, amend, alter or repeal the By-Laws.

The shareholders shall have power to remove any Director from office, with or without cause, after notice and opportunity to be heard shall have been furnished such Director.

(2): That the said amendment has been approved and authorized by the stockholder of the corporation in accordance with the provisions of Section 242 of the General Corporation Law of Delaware.

(3): That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of Delaware.

(4): That the capital of said corporation will not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, the corporation has caused its corporate seal to be hereunto affixed and this certificate to be signed by its President and Secretary this 30th day of September, 1971.



NATIONAL CLEARING CORPORATION

By David H. Meyer
President

ATTEST:

Raymond W. Terrell
Secretary

CERTIFICATE OF AMENDMENT
OF
NATIONAL OTC CLEARING CORPORATION

5762-15

FILED

SEP 16 1970 10A 47

Ernest R. [unclear]

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
NATIONAL OTC CLEARING CORPORATION

Adopted in accordance with the provisions of Section 242
of the General Corporation Law of the State of Delaware

We, William S. Mason, Jr., President and
Howard Emen, Secretary of National OTC Clearing Corpora-
tion, a corporation existing under the laws of the State
of Delaware, do hereby certify under the seal of the said
corporation as follows:

FIRST: That the Certificate of Incorporation
of said corporation has been amended as follows:

By adding at the end of Paragraph 1 of Section
B of Article FOURTH of said Certificate of Incorporation
the following:

The foregoing notwithstanding, the provisions of
this Paragraph 1 shall not apply to sales or
transfers of Common Stock to National Clearing
Corporation, a wholly-owned subsidiary of the
National Association of Securities Dealers, Inc.

SECOND: That such amendment has been duly adopted in accordance with the provisions of the General Corporation Law of the State of Delaware by the affirmative vote of the holders of a majority of the stock entitled to vote at a meeting of stockholders.

IN WITNESS WHEREOF, we have signed this certificate and caused the corporate seal of the corporation to be hereunto affixed this 11th day of September, 1970.



William Shantz
President

Attest:

Naum Eisen
Secretary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

BE IT REMEMBERED that on this 11th day of
September 1970, personally came before me *Alfred J. Law*
Law, a Notary Public in and for the County and
State aforesaid, William S. Mason, Jr., President of
National OTC Clearing Corporation, party to the foregoing
certificate, known to me personally to be such, and duly
acknowledged the said certificate to be his act and deed,
and that the facts therein stated are true.

GIVEN under my hand and seal of office the
_____ day and year aforesaid.



Alfred J. Law

ALFRED J. LAW
Notary Public, State of New York
No. 21-7446250
Qualified in New York County
Commission Expires March 22, 1973

CERTIFICATE OF OWNERSHIP AND MERGER
OF
NATIONAL OTC CLEARING CORPORATION (DEL. DOM.)
MERGING
NATIONAL CLEARING CORPORATION (DEL. DOM.)
UNDER NAME OF
NATIONAL CLEARING CORPORATION (DEL. DOM.)

FILED

NATIONAL CLEARING CORPORATION

CERTIFICATE OF OWNERSHIP AND MERGER

(pursuant to § 253 of the General Corporation Law)

The undersigned President of NATIONAL CLEARING CORPORATION ("NCC"), a Delaware corporation, hereby certifies that:

1. NCC is the owner of all outstanding shares of all classes of the stock of National OTC Clearing Corporation ("NOTC"), a Delaware corporation;

2. Exhibit A appended hereto is a true and correct copy of the Resolution of Merger of NCC into NOTC, adopted at a meeting of the Board of Directors of NCC duly held on September 16, 1971, at which a quorum was present and acting throughout.

3. The Resolution of Merger (Exhibit A) is effective upon the execution, acknowledgment and filing of this Certificate under Section 253 of the General Corporation Law, and NCC, by such execution, acknowledgment and

filing does hereby merge NCC into NOTC (which merged corporation is hereinafter referred to as the "Surviving Corporation").

4. The Surviving Corporation, pursuant to Section 259 of the General Corporation Law, does hereby possess all the rights, privileges, powers and franchises as well of a public as of a private nature and is hereby subject to all the restrictions, disabilities and duties of NCC and NOTC, and all the rights, privileges, powers and franchises of NCC and NOTC, and all property, real, personal and mixed, and all debts due to NCC and NOTC, are hereby vested in the Surviving Corporation, and all property, rights, privileges, powers and franchises, and all and every other interest are hereby as effectually the property of the Surviving Corporation as they were of NCC and NOTC, and the title to any real estate vested by deed or otherwise, under the laws of the State of Delaware, in NCC or NOTC, shall not revert or be in any way impaired by reason of the General Corporation Law, but all rights of creditors and all liens upon any property of either NCC or NOTC are hereby preserved unimpaired and all debts, liabilities and duties of NCC and NOTC do hereby attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

5. The certificate of incorporation of NOTC is hereby amended to the extent set forth in the Resolution of Merger.

6. In accordance with Section 253(b) of the General Corporation Law the name of NOTC is changed to "National Clearing Corporation", and National Clearing Corporation shall henceforth be the name of the Surviving Corporation.

IN WITNESS WHEREOF, the undersigned, President of NCC has signed this certificate as the act and deed of the corporation and has caused its corporate seal to be affixed this 16th day of September, 1971.



ATTEST:

By Wayne W. Erickson
Secretary

David Henry
President

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

Be it remembered that on September 16, 1971,
David H. Morgan and Lloyd J. Derrickson, the President
and Secretary, respectively, of National Clearing Cor-
poration, the persons who executed the foregoing cer-
tificate of ownership and merger, personally came before
me, a notary public of the State of New York, and acknow-
ledged said certificate to be their act and deed and the
act and deed of National Clearing Corporation and that
the facts stated therein are true.

Given under my hand and seal of office the day
and year aforesaid.



Kevin Keogh

Notary Public

KEVIN KEOGH
Notary Public, State of New York
No. 26-09398
Qualified in New York County
Commission Expires March 30, 1973

RESOLUTION OF MERGER
OF
NATIONAL CLEARING CORPORATION
INTO
NATIONAL OTC CLEARING CORPORATION
PURSUANT TO
SECTION 253 OF THE GENERAL CORPORATION LAW

Adopted by the Board of Directors
of National Clearing Corporation
the 16th day of September, 1971

WHEREAS, National Clearing Corporation ("NCC"),
a Delaware corporation, is the owner of all outstanding
shares of all classes of stock of National OTC Clearing
Corporation ("NOTC"), a Delaware corporation; and

WHEREAS, NCC desires to merge itself into NOTC
by executing, acknowledging and filing, pursuant to Section
253 of the General Corporation Law, a Certificate of Owner-
ship and Merger, setting forth a copy of these resolutions
of its Board of Directors to so merge, and to provide for
the pro rata issuance of stock of the surviving corporation
to the holder of the stock of the parent corporation on
surrender of the certificate therefor, and to amend the
certificate of incorporation and change the corporate name

of the surviving corporation upon the effective date of the merger; and

WHEREAS, National Association of Securities Dealers, Inc. ("NASD"), a Delaware corporation, the sole holder of all the outstanding shares of common stock of NCC has consented in writing to a proposed merger of NCC into NOTC;

NOW, THEREFORE, it is hereby unanimously

RESOLVED, that NCC be, and upon the execution, acknowledgment and filing of the Certificate required by Section 253 of the General Corporation Law hereby is merged into NOTC; and it is

FURTHER RESOLVED, that the name of the Surviving Corporation be, and upon the effective date of the merger of NCC into NOTC hereby is, changed to "National Clearing Corporation"; and it is

FURTHER RESOLVED, that all of the issued and outstanding stock of NOTC owned by NCC, upon the effectiveness of the merger of NCC into NOTC, shall be cancelled; and it is

FURTHER RESOLVED, that upon surrender by NASD of the Two Thousand shares of common stock of NCC outstanding in its name, and upon the effectiveness of the merger, there be issued to NASD One Hundred (100) shares of common stock, par value \$1 per share, of the Surviving Corporation, and upon such issuance to NASD of such shares of the Surviving Corporation, all the outstanding shares of common stock of NCC be, and the same hereby are, cancelled; and it is

FURTHER RESOLVED, that in respect of the One Hundred (100) shares of Common Stock issued pursuant to the foregoing resolution, One Hundred Dollars (\$100.00), being the aggregate par value thereof, be credited to the Common Stock account of this corporation; and it is

FURTHER RESOLVED, that the difference between the aggregate par value of the aforementioned shares and the total amount of the Common Stock accounts and surplus accounts of NCC and NOTC be, and the same hereby is, transferred to the surplus account; and it is

FURTHER RESOLVED, that upon the issuance of One Hundred (100) shares of Common Stock as aforesaid, the certificate or certificates surrendered therefor to this corporation by NASD be, and the same hereby are, declared to be full and adequate consideration, and said One Hundred (100) shares be, and the same hereby are, declared to be fully paid and nonassessable shares of Common Stock of this corporation.

Certificate of Ownership of the "NATIONAL OTC CLEARING CORPORATION",
merging "NATIONAL CLEARING CORPORATION",
pursuant to Section 253 of the General Corporation Law of the State of
Delaware, as received and filed in this office the thirtieth
day of September, A.D. 1971, at 10 o'clock A.M.

And I do hereby further certify that the said "NATIONAL OTC CLEARING CORPORATION",
has relinquished its corporate title and assumed in place thereof "NATIONAL CLEARING
CORPORATION".

B

NATIONAL CLEARING CORPORATION

BY-LAWS

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ARTICLE I

Offices

¶ 7001

Location

Sec. 1.1. The address of the registered office of the Corporation in the State of Delaware and the name of the registered agent at such address shall be as specified in the Certificate of Incorporation. The Corporation may also have other offices at such places within or without the State of Delaware as the Board of Directors may from time to time designate or the business of the Corporation may require.

¶ 7002

Change of Location

Sec. 1.2. In the manner permitted by law, the Board of Directors or the registered agent may change the address of the Corporation's registered office in the State of Delaware and the Board of Directors may make, revoke or change the designation of the registered agent.

ARTICLE II

Meetings of Stockholders

¶ 7003

Annual Meeting

Sec. 2.1. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at the registered office of the Corporation, or at such other place within or without the State of Delaware as the Board of Directors may fix, at three o'clock p.m., on the fifteenth day of January of each year, commencing with the year 1970, but if such a date is a legal holiday, then on the next succeeding business day.

¶ 7004

Special Meetings

Sec. 2.2. Special meetings of stockholders, unless otherwise prescribed by law, may be called at any time by the Chairman of the Board, by the President or by order of the Board of Directors. Special meetings of stockholders prescribed by law for the election of directors shall be called by the Board of Directors, the President, or the Secretary whenever required to do so pursuant to the applicable law. Special meetings of stockholders shall be held at such place within or without the State of Delaware as shall be designated in the notice of meeting.

¶ 7005

List of Stockholders Entitled to Vote

Sec. 2.3. The officer who has charge of the stock ledger of the Corporation shall prepare and make, or cause to be prepared and made, at least ten days before every meeting of stockholders, a complete list, based upon

the record date for such meeting determined pursuant to Section 5.8. of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if such place shall not be specified, at the place where said meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

The stock ledger shall be the only evidence as to who are the stockholders entitled (i) to examine the stock ledger, the list of stockholders entitled to vote at any meeting, or the books of the Corporation, or (ii) to vote in person or by proxy at any meeting of stockholders.

¶ 7006

Notice of Meetings

Sec. 2.4. Written notice of each annual and special meeting of stockholders other than any meeting the giving of notice of which is otherwise prescribed by law, stating the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes thereof, shall be delivered or mailed in writing at least ten but not more than fifty days before such meeting, to each stockholder required or permitted to take any action or entitled to vote thereat. If mailed, such notice shall be deposited in the United States mail, postage prepaid, directed to such stockholder at his address as the same appears on the records of the Corporation.

¶ 7007

Adjourned Meetings and Notice Thereof

Sec. 2.5. Any meeting of stockholders may be adjourned to another time and place, and the Corporation may transact at any adjourned meeting any business which might have been transacted at the original meeting. Notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken unless (a) any adjournment or series of adjournments cause the original meeting to be adjourned for more than thirty days after the date originally fixed therefor, or (b) a new record date is fixed for the adjourned meeting. If notice of an adjourned meeting is given, such notice shall be given to each stockholder of record entitled to vote at the adjourned meeting in the manner prescribed in Section 2.4 for the giving of notice of meetings.

¶ 7008

Quorum

Sec. 2.6. At any meeting of stockholders, except as otherwise expressly required by law, the holders of record of at least a majority of the outstanding shares of capital stock entitled to vote or act at such meeting shall be present or represented by proxy in order to constitute a quorum for the transaction of any business, but less than a quorum shall have power to adjourn any meeting until a quorum shall be present. When a quorum is once present to organize a meeting, the quorum cannot be destroyed by the subsequent withdrawal or revocation of the proxy of any stockholder.

§ 7009**Voting**

Sec. 2.7. At any meeting of stockholders each stockholder holding as of the record date shares of stock entitled to be voted on any matter at such meeting shall have one vote on each such matter submitted to vote at such meeting for each such share of stock held by such stockholder as of the record date as shown by the list of stockholders entitled to vote at the meeting, unless the Certificate of Incorporation provides for more or less than one vote for any share on any matter, in which case every reference to a required proportion of stock shall refer to the proportion of the votes of such stock. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, provided that no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest, whether in the stock itself or in the Corporation, sufficient in law to support an irrevocable power.

The Board of Directors, the President, or the person presiding at a meeting of stockholders, may appoint one or more persons to act as inspectors of voting at any meeting with respect to any matter to be submitted to a vote of stockholders at such meeting, with such powers and duties, not inconsistent with applicable law, as may be appropriate.

§ 7010**Action by Consent of Stockholders**

Sec. 2.8. Unless otherwise provided in the Certificate of Incorporation whenever any action by the stockholders at a meeting thereof is required or permitted by law, the Certificate of Incorporation, or these By-Laws, such action may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the holders of the outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of such action without a meeting and by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III**Board of Directors****§ 7011****General Powers**

Sec. 3.1. The property, business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors may exercise all such powers of the Corporation and have such authority and do all such lawful acts and things as are permitted by law, the Certificate of Incorporation or these By-Laws, for the establishment and operation of facilities for any systems of clearing and settling such classes of transactions as the Board may deem necessary or appropriate, including, but not limited to:

(a) the establishment and operation of facilities necessary to implement and operate a Continuous Net Settlement system for reporting, clearing and

(b) the establishment or continuance of facilities for the operation of a interim systems of clearing and settling over-the-counter transactions and such rules as the Board of Directors of the Clearing Corporation may approve until the Continuous Net Settlement system of clearing and settling is made operational.

§ 7012

Number of Directors

Sec. 3.2. The Board of Directors of the Corporation shall consist of one or more members; the exact number of directors which shall constitute the whole Board of Directors shall be fixed from time to time by resolution adopted by a majority of the whole Board of Directors. Until the number of directors has been so fixed by the Board of Directors, the number of directors constituting the whole Board of Directors shall be twelve. After fixing the number of directors constituting the whole Board of Directors, the Board of Directors may, by resolution adopted by a majority of the whole Board of Directors, from time to time change the number of directors constituting the whole Board of Directors.

§ 7013

Qualification

Sec. 3.3. Directors need not be stockholders of the Corporation. Directors who willfully neglect or refuse to produce a list of stockholders entitled to vote at any meeting for the election of directors shall be ineligible for election to any office at such meeting.

§ 7014

Election

Sec. 3.4. Except as otherwise provided by law or these By-Laws, after the first meeting of the Corporation at which directors are elected, directors of the Corporation shall be elected in each year at the annual meeting of stockholders, or at a special meeting in lieu of the annual meeting called for such purpose; by a plurality of votes cast at such meeting. The voting of directors at any such meeting shall be by written ballot, unless otherwise provided in the Certificate of Incorporation.

§ 7015

Term

Sec. 3.5. Each director shall hold office until his successor is duly elected and qualified, except in the event of the earlier termination of his term of office by reason of death, resignation, removal, with or without cause or other reason.

The directors of the Corporation elected at the first meeting of the Corporation and directors elected at subsequent annual meetings of stockholders shall serve a one-year term. Each director chosen to fill a newly created directorship or chosen to fill any vacancy occurring in the Board of Directors including vacancies occurring in the Board by reason of the removal of directors without cause, shall serve until the next succeeding annual meeting of stockholders. A director will not be eligible for re-election to the Board for a period of one year following service on the Board for three consecutive terms.

17016

Resignation and Removal

Sec. 3.6. Any director may resign at any time upon written notice to the Board of Directors, the President or the Secretary. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any director may be removed from office, with or without cause, at any time by a majority vote of the stockholders.

17017

Vacancies

Sec. 3.7. Vacancies in the Board of Directors (unless the vacancy be caused by the removal of a director) and newly created directorships resulting from any increase in the authorized number of directors shall be filled by a majority vote of the directors then in office, though less than quorum, or by a sole remaining director. The vacancy caused by the removal of a director shall be filled by election at the annual meeting of the stockholders or at a special meeting of stockholders called for that purpose.

If one or more directors shall resign from the Board of Directors effective at a future date, a majority of the directors then in office, including those who have so resigned at a future date, shall have power to fill such vacancies, the vote thereon to take effect and the vacancy to be filled when such resignation or resignations shall become effective, and each director chosen shall hold office as provided in this section in the filling of other vacancies.

17018

Quorum and Voting

Sec. 3.8. Unless the Certificate of Incorporation provides otherwise, at meetings of the Board of Directors not less than one third of the total number of directors shall be present to constitute a quorum for the transaction of business. A director interested in a contract or transaction may not be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes the contract or transaction. In the absence of a quorum, a majority of the directors present may adjourn the meeting until a quorum shall be present.

Unless the Certificate of Incorporation provides otherwise, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment, means of which all persons participating in the meeting can hear each other and participation in such meeting shall constitute presence in person at such meeting for all purposes.

The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the Certificate of Incorporation or these By-Laws shall require a vote of a greater number.

17019

Regulations

Sec. 3.9. The Board of Directors may adopt such rules and regulations for the conduct of the business and management of the Corporation as may be necessary or proper in accordance with the Certificate of Incorporation or these

Laws, as the Board of Directors may deem proper including Rules adopted pursuant to Article XII for the operation of the clearing system. The Board of Directors may hold its meetings and cause the books and records of the Corporation to be kept at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine. A member of the Board of Directors shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board of Directors or any committee of the Board of Directors or in relying in good faith upon other records of the Corporation.

¶ 7020 Annual Meeting of the Board of Directors

Sec. 3.10. An annual meeting of the Board of Directors shall be called and held for the purpose of organization, election of officers and transaction of any other business. If such meeting is held promptly after and at the place specified for the annual meeting of stockholders, no notice of the annual meeting of the Board of Directors need be given. Otherwise such annual meeting shall be held at such time (not more than thirty days after the annual meeting of stockholders) and place as may be specified in a notice of the meeting.

¶ 7021 Regular Meetings

Sec. 3.11. Regular meetings of the Board of Directors shall be held at the time and place, within or without the State of Delaware, as shall from time to time be determined by the Board of Directors. After there has been such determination and notice thereof has been given to each member of the Board of Directors, no further notice shall be required for any such regular meeting. Except as otherwise provided by law, any business may be transacted at any regular meeting.

¶ 7022 Special Meetings

Sec. 3.12. Special meetings of the Board of Directors may, unless otherwise prescribed by law, be called from time to time by the President, and shall be called by the President or the Secretary upon the written request of a majority of the whole Board of Directors directed to the President or the Secretary. Except as provided below, notice of any special meeting of the Board of Directors, stating the time, place and purpose of such special meeting, shall be given to each director.

¶ 7023 Notice of Meetings; Waiver of Notice

Sec. 3.13. Notice of any meeting of the Board of Directors shall be deemed to be duly given to a director (i) if mailed to such director, addressed to him at his address as it appears upon the books of the Corporation, or at the address last made known in writing to the Corporation by such director as the address to which such notices are to be sent, at least two days before the day on which such special meeting is to be held, or (ii) if sent to him at such address by telegraph, cable, radio or wireless not later than the day before the day on which such meeting is to be held, or (iii) if delivered to him personally or orally, by telephone or otherwise, not later than the day before the day on which such special meeting is to be held. Each such notice shall state the time and place of the meeting and the purposes thereof.

Notice of any meeting of the Board of Directors need not be given to any director if waived by him in writing (or by telegram, cable, radio or wireless and confirmed in writing) whether before or after the holding of such meeting, or if such director is present at such meeting. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given if all directors then in office shall be present thereat.

§ 7024 Committees of Directors

Sec. 3.14. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation.

Except as herein provided, vacancies in membership of any committee shall be filled by the vote of a majority of the whole Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Members of a committee shall hold office for such period as may be fixed by a resolution adopted by a majority of the whole Board of Directors, subject, however, to removal at any time by the vote of a majority of the whole Board of Directors.

§ 7025 Powers and Duties of Committees

Sec. 3.15. Any committee, to the extent provided in the resolution or resolutions creating such committee, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. No such committee shall have the power or authority with regard to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the By-Laws. The Board of Directors, by specific resolution, may grant to such committee the power and authority to declare a dividend or authorize the issuance of stock.

Each committee may adopt its own rules of procedure and may meet at stated times or on such notice as such committee may determine. Except as otherwise permitted by these By-Laws, each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

§ 7026 Compensation of Directors

Sec. 3.16. The Board of Directors may from time to time, in its discretion, fix the amounts which shall be payable to directors and to members of any committee of the Board of Directors for attendance at the meetings of the Board of Directors or of such committee and for services rendered to the Corporation.

§ 7027

Action Without Meeting

Sec. 3.17. Unless otherwise restricted by the Certificate of Incorporation, an action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or such committee.

ARTICLE IV

Officers

§ 7028

Principal Officers

Sec. 4.1. The principal officers of the Corporation shall be elected by the Board of Directors and shall include a President, a Secretary and Treasurer and may, at the discretion of the Board of Directors, also include a Chairman of the Board, one or more Vice Presidents, and a Controller. Except as otherwise provided in the Certificate of Incorporation or the By-Laws, one person may hold the offices and perform the duties of any two or more of said principal offices except the offices and duties of President and Vice President or of the President and Secretary. None of the principal officers, except the Chairman of the Board and the President, need be directors of the Corporation.

§ 7029

Election of Principal Officers; Term of Office

Sec. 4.2. The principal officers of the Corporation shall be elected annually by the Board of Directors at each annual meeting of the Board of Directors. Failure to elect any principal officer annually shall not dissolve the Corporation.

If the Board of Directors shall fail to fill any principal office at an annual meeting, or if any vacancy in any principal office shall occur, or if any principal office shall be newly created, such principal office may be filled at a regular or special meeting of the Board of Directors.

Each principal officer shall hold office until his successor is duly elected and qualified, or until his earlier death, resignation or removal, provided that the terms of office of all Vice Presidents shall terminate at any annual meeting of the Board of Directors at which the President or any Vice President is elected.

§ 7030

Subordinate Officers, Agents and Employees

Sec. 4.3. In addition to the principal officers, the Corporation may have one or more Assistant Treasurers, Assistant Secretaries and such other subordinate officers, agents and employees as the Board of Directors may deem advisable, each of whom shall hold office for such period and have such authority and perform such duties as the Board of Directors, the President or any officer designated by the Board of Directors, may from time to time determine. The Board of Directors at any time may appoint and remove and may delegate to any principal officer the power to appoint and to remove any officer, agent or employee of the Corporation.

¶ 7031 Delegation of Duties of Officers

Sec. 4.4. The Board of Directors may delegate the duties and powers of an officer of the Corporation to any other officer or to any director for a specified period of time for any reason that the Board of Directors may deem sufficient.

¶ 7032 Removal of Officers

Sec. 4.5. Any officer of the Corporation may be removed with or without cause by resolution adopted by a majority of the directors then in office at any regular or special meeting of the Board of Directors or by written consent signed by all of the directors then in office.

¶ 7033 Resignations

Sec. 4.6. Any officer may resign at any time by giving written notice of resignation to the Board of Directors, to the President or to the Secretary. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified in the notice, the acceptance of a resignation shall not be necessary to make the resignation effective.

¶ 7034 Chairman of the Board

Sec. 4.7. The Chairman of the Board shall preside at all meetings of stockholders and of the Board of Directors at which he is present. The Chairman of the Board shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors.

¶ 7035 President

Sec. 4.8. The President shall, in the absence of the Chairman of the Board, preside at all meetings of the stockholders and of the Board of Directors at which he is present. The President shall be the chief executive officer of the Corporation and shall have general supervision over the business of the Corporation. The President shall have all powers and duties usual and incident to the office of the President except as specifically limited by a resolution of the Board of Directors. The President shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors.

¶ 7036 Vice President

Sec. 4.9. In the absence or disability of the President or if the office of President be vacant, the Vice Presidents in the order determined by the Board of Directors, or if no such determination has been made in the order of their seniority, shall perform the duties and exercise the powers of the President, subject to the right of the Board of Directors at any time to extend or confine such powers and duties or to assign them to others. Any Vice President may have such additional designations in his title as the Board of Directors may determine. The Vice Presidents shall generally assist the President in such manner as the President shall direct. Each Vice President shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

§ 7037

Secretary

Sec. 4.10. The Secretary shall act as Secretary of all meetings of stockholders and of the Board of Directors at which he is present, shall record all the proceedings of all such meetings in a book to be kept for that purpose, shall have supervision over the giving and service of notices of the Corporation, and shall have supervision over the care and custody of the corporate records and the corporate seal of the Corporation. The Secretary shall be empowered to affix the corporate seal to documents, the execution of which on behalf of the Corporation under its seal, is duly authorized, and when so affixed may attest the same. The Secretary shall have all powers and duties usually incident to the office of Secretary, except as specifically limited by a resolution of the Board of Directors. The Secretary shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

§ 7038

Treasurer

Sec. 4.11. The Treasurer shall have general supervision over the care and custody of the funds and over the receipts and disbursements of the Corporation and shall cause the funds of the Corporation to be deposited in the name of the Corporation in such banks or other depositories as the Board of Directors may designate. The Treasurer shall have supervision over the care and safekeeping of the securities of the Corporation. The Treasurer shall have all powers and duties usually incident to the office of Treasurer except as specifically limited by a resolution of the Board of Directors. The Treasurer shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

§ 7039

Controller

Sec. 4.12. The Controller shall be the chief accounting officer of the Corporation and shall have supervision over the maintenance and custody of the accounting operations of the Corporation, including the keeping of accurate accounts of all receipts and disbursements and all other financial transactions. The Controller shall have all powers and duties usually incident to the office of Controller except as specifically limited by a resolution of the Board of Directors. The Controller shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

§ 7040

Bond

Sec. 4.13. The Board of Directors shall have power, to the extent permitted by law, to require any officer, agent or employee of the Corporation to give bond for the faithful discharge of his duties in such form and with such surety or sureties as the Board of Directors may determine.

ARTICLE V

Capital Stock

§ 7041

Issuance of Certificates for Stock

Sec. 5.1. Each stockholder of the Corporation shall be entitled to a certificate or certificates in such form as shall be approved by the Board of Directors, certifying the number of shares of capital stock of the Corporation owned by such stockholder.

¶ 7042 Signatures on Stock Certificates

Sec. 5.2. Certificates for shares of a capital stock of the Corporation shall be signed by, or in the name of the Corporation by, the Chairman of the Board, the President or a Vice President and by the Secretary, the Treasurer, an Assistant Secretary or an Assistant Treasurer and shall bear the corporate seal of the Corporation or a printed or engraved facsimile thereof.

If any such certificates are countersigned by a transfer agent other than the Corporation or its employee, or by a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such signer were such officer, transfer agent or registrar at the date of issue.

¶ 7043 Stock Ledger

Sec. 5.3. A record of all certificates for capital stock issued by the Corporation shall be kept by the Secretary or any other officer, employee or agent designated by the Board of Directors. Such record shall show the name and address of the person, firm or corporation in which certificates for capital stock are registered, the number of shares represented by each such certificate, the date of each such certificate, and in case of certificates which have been canceled the dates of cancellation thereof.

The Corporation shall be entitled to treat the holder of record of shares of capital stock as shown on the stock ledger as the owner thereof and as the person entitled to receive dividends thereon, to vote such shares and to receive notice of meetings, and for all other purposes. The Corporation shall not be bound to recognize any equitable or other claim to or interest in any shares of capital stock on the part of any other person whether or not the Corporation shall have express or other notice thereof.

¶ 7044 Regulations Relating to Transfer

Sec. 5.4. The Board of Directors may make such rules and regulations as they may deem expedient, not inconsistent with law, the Certificate of Incorporation or these By-Laws, concerning issuance, transfer and registration of certificates for shares of capital stock of the Corporation. The Board of Directors may appoint, or authorize any principal officer to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars and may require all certificates for capital stock to bear the signatures or signatures of any of them.

¶ 7045 Transfers

Sec. 5.5. Transfers of capital stock shall be made on the books of the Corporation only upon delivery to the Corporation of its transfer agent (i) a written direction of the registered holder named in the certificate or such holder's attorney lawfully constituted in writing, (ii) the certificate for the shares of capital stock being transferred, and (iii) a written assignment of the shares of capital stock evidenced thereby.

Sec. 5.6. Each certificate for capital stock surrendered to the Corporation for exchange or transfer shall be canceled and no new certificate certificates shall be issued in exchange for any existing certificate (other than pursuant to Section 5.7) until such existing certificate shall have been canceled.

§ 7047 Lost, Stolen, Destroyed and Mutilated Certificates

Sec. 5.7. In the event that any certificate for shares of capital stock of the Corporation shall be mutilated, the Corporation shall issue a new certificate in place of such mutilated certificate. In case any such certificate shall be lost, stolen or destroyed the Corporation may, in the discretion of the Board of Directors or a committee designated thereby with power so to act, issue a new certificate for capital stock in the place of any such lost, stolen or destroyed certificate. The applicant for any substituted certificate or certificates shall surrender any mutilated certificate or, in the case of a lost, stolen or destroyed certificate, furnish satisfactory proof of such loss, theft or destruction of such certificate and of the ownership thereof. The Board of Directors or such committee may, in its discretion, require the owner of a lost or destroyed certificate, or his representatives, to furnish to the Corporation a bond with an acceptable surety or sureties and in such sum as will be sufficient to indemnify the Corporation against any claim that may be made against it on account of the lost, stolen or destroyed certificate or the issuance of such new certificate. A new certificate may be issued without requiring a bond when, in the judgment of the Board of Directors, it is proper to do so.

§ 7048 Fixing of Record Dates

Sec. 5.8. (a) The Board of Directors may fix, in advance, a record date which shall not be more than sixty nor less than ten days before the date of any meeting of stockholders, nor more than sixty days prior to any other action, for the purpose of determining stockholders entitled to notice of or to vote at such meeting of stockholders or any adjournment thereof, or to express consent or dissent to corporate action in writing without a meeting, or to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change in conversion or exchange of stock or for the purpose of any other lawful action.

(b) If no record date is fixed by the Board of Directors:

(i) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived shall be at the close of business on the day next preceding the day on which the meeting is held;

(ii) The record date for determining stockholders entitled to express consent to Corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first consent is expressed;

(iii) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) A determination of stockholders of record entitled to notice of or vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE VI

Indemnification

¶ 7049

Indemnification

Sec. 6.1. The Corporation shall, to the full extent permitted by applicable law, indemnify any person (and the heirs, executors and administrators of such person) who, by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, was or is a party or is threatened to be made a party to:

(a) any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such action, suit or proceeding, or,

(b) any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit.

Any indemnification by the Corporation pursuant hereto shall be only made in the manner and to the extent authorized by applicable law, and any such indemnification shall not be deemed exclusive of any other rights to which those seeking indemnification may otherwise be entitled.

¶ 7050

Indemnification Insurance

Sec. 6.2. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under applicable law.

ARTICLE VII

Miscellaneous Provisions

¶ 7051

Corporate Seal

Sec. 7.1. The seal of the Corporation shall be circular in form with the name of the Corporation in the circumference and the words and figures "Corporate Seal—1969 Delaware" in the center. The seal may be used by causing it to be affixed or impressed, or a facsimile thereof may be reproduced or otherwise used in such manner as the Board of Directors may determine.

¶ 7052 Fiscal Year

Sec. 7.2. The fiscal year of the Corporation shall be from the 1st day of October to the 30th day of September, inclusive, in each year, or such other twelve months as the Board of Directors may designate.

¶ 7053 Waiver of Notice

Sec. 7.3. Whenever any notice is required to be given under any provision of law, the Certificate of Incorporation, or these By-Laws, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation.

Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

¶ 7054 Execution of Instruments, Contracts, etc.

Sec. 7.4. All checks, drafts, bills of exchange, notes or other obligations or orders for the payment of money shall be signed in the name of the Corporation by such officer or officers or person or persons, as the Board of Directors may from time to time designate.

Except as otherwise provided by law, the Board of Directors, any committee given specific authority in the premises by the Board of Directors, or any committee given authority to exercise generally the powers of the Board of Directors during the intervals between meetings of the Board of Directors, may authorize any officer, employee or agent, in the name of and on behalf of the Corporation, to enter into or execute and deliver deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

All applications, written instruments and papers required by any department of the United States Government or by any state, county, municipal or other governmental authority, may be executed in the name of the Corporation by any principal officer or subordinate officer of the Corporation, or, to the extent designated for such purpose from time to time by the Board of Directors, by an employee or agent of the Corporation. Such designation may contain the power to substitute, in the discretion of the person named, one or more other persons.

ARTICLE VIII

Amendments: Emergency By-Laws

¶ 7055 By Stockholders

Sec. 8.1. These By-Laws may be amended, added to, altered or repealed, or new By-Laws may be adopted, at any meeting of stockholders by the vote of the holders of not less than a majority of the outstanding shares

of stock entitled to vote thereat, provided that, in the case of a special meeting notice that an amendment is to be considered and acted upon shall be inserted in the notice or waiver of notice of said meeting.

¶ 7056

By Directors

Sec. 8.2. To the extent permitted by the Certificate of Incorporation, the By-Laws may be amended, added to, altered or repealed, or no By-Laws may be adopted at any regular or special meeting of the Board of Directors by a resolution adopted by a vote of a majority of the whole Board of Directors.

¶ 7057

Emergency By-Laws

Sec. 8.3. The Board of Directors may adopt emergency By-Laws subject to repeal or change by action of the stockholders which shall, notwithstanding any different provision of law, the Certificate of Incorporation or these By-Laws, be operative during any emergency resulting from a nuclear or atomic disaster, an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of the Boards of Directors of stockholders, any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a standing committee thereof cannot readily be convened for action. Such emergency By-Laws may make any provision that may be practicable and necessary for the circumstances of the emergency.

ARTICLE IX

¶ 7058

Clearing Fund(s) and Insurance Fund(s)

Sec. 9.1. The Board of Directors shall create a Clearing Fund(s) consisting of payments by Clearing Members of cash and/or pledged securities to be used in the event of default under the Rules for payment of Clearing Members' liabilities and obligations to the Clearing Corporation and to be used for payment of liabilities of the Clearing Corporation as provided for in the Rules.

[Section 9.1 amended effective May 31, 1974.]

¶ 7059

Sec. 9.2. The initial payment by each Clearing Member to the Clearing Fund(s) shall be fixed by the Corporation in its discretion at the time of application and may thereafter from time to time be increased or diminished by the Corporation, as provided in the Rules.

[Section 9.2 amended effective May 31, 1974.]

¶ 7060

Sec. 9.3. In the event that a Clearing Member disputes the amount of an increased Clearing Fund payment, it shall be required to first pay such increase and then promptly seek to resolve such dispute as provided in these By-Laws and the Rules.

ARTICLE X

Grievance Procedure

§ 7061

Sec. 10.1. Members and other persons aggrieved by the action of the Corporation in:

(1) denying the application of any person, firm, organization, bank trust company to become a Clearing Member or Clearing Bank; or

(2) suspending or excluding a Clearing Member or Clearing Bank from the System; or

(3) denying an application to have securities added to the list of cleared securities, or deleting a security from the list of cleared securities; or

(4) assessing against, and requiring payment of, the amount of any additional Clearing Fund Payment, by a Clearing Member, which is objected to as being unreasonable and arbitrary in light of the volume and type of transactions cleared by such Clearing Member; or

(5) imposing a non-compliance charge upon any Clearing Member, the amount of which is disputed as being unfair in light of the offense; shall, upon filing a complaint with the Board of Governors of the National Association of Securities Dealers, Inc., be entitled upon request to a hearing thereon, decision and review by the Board of Governors in accordance with procedures specified by the Board. At the same time as the filing of complaint with the Board of Governors of the National Association of Securities Dealers, Inc. the Complainant shall also serve upon the Board of Directors of the Corporation notice of such appeal. Such notice shall consist of:

(i) a brief statement of the action complained of by the aggrieved party

(ii) a brief statement of the facts preceding the decision by the Corporation, and

(iii) a brief statement why the complainant believes the action was in error.

By joint resolution made by a majority of its members, the Board of Directors of the Corporation may, subsequent to such filing of notice of appeal and before the Board of Governors has rendered its decision, reverse the action of the Corporation in whole or in part. Where a complainant feels aggrieved by the action of the Board of Governors of the National Association of Securities Dealers, Inc. in approving, reversing or modifying the action of the Corporation in cases involving the five categories above, if the statute or rules permit appeal, the complainant may make application for review to the Securities and Exchange Commission.

§ 7062.

Sec. 10.2. Except for those five specified categories for which provision is made in Section 10.1 above, every dispute, claim or controversy between Clearing Members or between a Clearing Member or Members and the Corporation, and involving any act or failure to act by any Clearing Member or the Corporation in a transaction subject to these Rules, including any monetary claim for damages which will be reserved from decision under the proceedings in Section 10.1 above, shall be submitted to and resolved by final, binding and conclusive arbitration in accordance with (proposed) Section 3 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure.

¶ 7063

Sec. 10.3. Members and other persons, against whom action has been taken in categories (i), (ii), and (iii) of Section 10.1 above, shall receive prompt written notice stating briefly the reason or reasons for such action.

ARTICLE XI

Members, Membership Agreement

¶ 7064

Sec. 11.1. The Corporation may act for broker/dealers registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended and banks or trust companies which are subject to the regulation of federal or state banking authorities, and which are not in violation of any rule or regulation of all laws administered by such authority, and which are members of the Federal Deposit Insurance Corporation, whose applications to the Corporation to become Clearing Members or Clearing Banks, have been approved, who have entered into the prescribed agreement with the Corporation, have made the prescribed payment to the Clearing Fund in accordance with the provisions of Article IX, and have complied with any other conditions of participation, including compliance with the financial standards for members as set forth in the Rules. The Corporation may at any time at its discretion cease to act for any such participant.

The Corporation may also act for such other financial institution, other clearing corporation or similar organization, which is regulated by the Securities and Exchange Commission, under such terms and conditions as the Board of Directors, in its discretion, may deem appropriate or necessary for the furtherance of the purposes of the Corporation as appearing in the Certificate of Incorporation.

[Section 11.1 amended effective May 23, 1975.]

¶ 7065

Sec. 11.2. The Board of Directors shall have the authority to establish and from time to time, amend the forms of application and agreement which shall be required.

¶ 7066

Sec. 11.3. The Clearing Member shall deliver to the Corporation in the form and within the time specified by the Corporation an instrument in writing whereby such applicant shall:

(a) report, clear and settle through the Clearing Corporation directly every over-the-counter contract or transaction to which it may be a party and which the Rules of the Clearing Corporation may require to be reported, cleared and settled through the Clearing Corporation with only such exceptions as may be previously agreed to by the Clearing Corporation;

(b) abide by the By-Laws and Rules of the Corporation and shall be bound by all the provisions thereof, as may be adopted from time to time, including the provision prescribing the liens which the Corporation shall have

upon securities, cash, interest in transactions or any property held by the Corporation or allocated to the Clearing Member; however, no liens which the Corporation may have upon such securities, interest in transactions or any property held by the Corporation shall be deemed to require a Clearing Member to violate Rule 8c-1 (Hypothecation of Customer's Securities) of the Securities and Exchange Commission:

(c) agree that the By-Laws and Rules shall be deemed to be a part of the terms and conditions of every contract or transaction which the By-Laws and Rules require to be reported, cleared or settled through the Clearing Corporation whether or not the By-Laws and Rules are expressly made a part of the terms and conditions of the contract or transaction:

(d) pay to the Clearing Corporation within such time as may be specified in the Rules or any schedules published thereunder any sum which shall have become due and payable by the Clearing Member to the Clearing Corporation or to another Clearing Member:

(e) pay to the Clearing Corporation the charges for services rendered and provided for by the Rules and such charges as may be imposed in accordance with the Rules for the failure of the Clearing Member to comply with the Rules:

(f) open its books and records to reasonable inspection by the duly authorized representative of the Clearing Corporation appointed by the National Staff at all times during business hours; furnish the Clearing Corporation with all such information in respect to the Clearing Member's business and transactions as it may require; provided that if the Clearing Member shall cease to be a Clearing Member and shall have satisfied all of its obligations to the Clearing Corporation, the Clearing Corporation shall have no right to inspect its books and records or to require information relating to transactions wholly subsequent to the time when it ceases to be a Clearing Member:

(g) have a duly authorized representative present in its office during the hours that the Clearing Center, or the regional facility in its assigned area is open for clearing and settling transactions:

(h) be bound by any amendment to the By-Laws and Rules with respect to any transaction occurring subsequent to the time such amendment takes effect as fully as though such amendment were now a part of the By-Laws and Rules, subject to any right of review which may be provided for in the By-Laws and Rules:

(i) appoint either the Clearing Corporation or an Associated Bank chosen by it as its agent for the receipt and delivery of securities and any money settlements, subject to approval by the Clearing Corporation of the agreement between the Clearing Member and the Associated Bank, if such Member shall be a Mail Clearing Member as the term is used in the Rules:

(j) reconcile, when required, any reports which are made available to the Clearing Corporation pursuant to the Rules and, when required, verify, sign and return to the issuing Clearing Center, duplicate copies of such reports for the purpose of audit and confirmation, reporting on such copies of said reports, any errors, omissions, or corrections:

(k) agree that the agreement with the Clearing Corporation shall inure to the benefit of and be binding upon the parties thereto and their respective successors and assigns:

(l) abide by all other requirements which may be provided for in the agreement which the Board of Directors deems necessary and appropriate.

¶ 7067

Sec. 11.4. The Corporation, without ceasing to act for a Clearing Member, may decline to act with respect to any particular transaction or class of transactions. Where the Corporation ceases to so act, the Clearing Member shall be bound by action of the Corporation taken pursuant to the Rules.

¶ 7068

Sec. 11.5. A Clearing Member may enter into an agreement with a non-Clearing Member to act for or on behalf of the non-Clearing Member, provided that such agreement is in form and substance acceptable to the Clearing Corporation. A Clearing Member who enters into such an agreement to clear, settle or otherwise utilize the facilities of the National Clearing Corporation in respect to any contract or transaction for a non-Clearing Member, so far as the rights of the Corporation and all other Clearing Members are concerned, shall be liable as principal.

ARTICLE XII**Rules****¶ 7069**

Sec. 12.1. The Board of Directors shall adopt, and may from time to time amend, Rules of National Clearing Corporation in a manner consistent with the Certificate of Incorporation and these By-Laws governing the conduct of its business, the respective rights and obligations of the Corporation and its Members and such other matters which, in the opinion of the Board of Directors are necessary or convenient to carry out the purposes of the Corporation.

¶ 7070

Sec. 12.2. The Rules of National Clearing Corporation, and any amendments thereto, adopted pursuant to this Article XII, shall have the same force and effect as if they were part of these By-Laws and shall be binding on all Members doing business with or through the Corporation. The Rules may prescribe, but not be limited to:

(a) the classes of persons and the extent to which such persons shall clear or settle transactions or contracts with the Corporation and the extent to which such persons may avail themselves of such other related services as which now or in the future may be provided;

(b) the contracts or transactions which may be cleared or effected through the Corporation or its facilities and such other related services which now or in the future may be provided;

(c) the respective rights and obligations of the Corporation, Members and others in connection with all business conducted by or through the Corporation or its facilities;

(d) procedures for determining the rights and liabilities of Clearing Members in respect to the Clearing Fund(s) and the Insurance Fund(s);

(e) fines and other penalties for violation of the Rules;

(f) the charges to be made by the Corporation for services performed by it and/or for use of its facilities;

(g) such other Rules as are not inconsistent with the Certificate of corporation and By-Laws as the Board of Directors may deem necessary convenient to carry out the purposes of the Corporation and which the Board of Governors of the National Association of Securities Dealers, Inc. approved and which are not disapproved by the Securities and Exchange Commission.

[Section 12.2 amended effective May 31, 1974.]

¶ 7071

Sec. 12.3. If such rules, or amendments thereto are approved by a majority of the Board of Directors and which are approved by the Board of Governors of the National Association of Securities Dealers, Inc. and not disapproved by the Securities and Exchange Commission, they shall come effective as of such date as the Board of Directors may prescribe; they shall be binding on all persons clearing or settling transactions through the Corporation.

¶ 7072

Sec. 12.4. The Board of Directors of the Corporation shall have power to interpret the Rules, and any amendments thereto, adopted pursuant to this Article XII, and the interpretation of the Board of Directors shall be final and conclusive.

ADDENDUM

¶ 7080 By-Laws of National Clearing Corporation

In order to continue in effect the Corporation's present balance-order clearance system to provide for the transition from one clearing system to another, the following Articles of the By-Laws of National OTC Clearing Corporation are adopted and continued in effect with the same force and effect as By-Laws of National Clearing Corporation to apply to those operations that are subject to the "Interim Operating Rules":

NOTC By-Laws Articles numbered 6, 7, 8 and 9 as set forth in the form of By-Laws attached hereto.

ARTICLE 6

¶ 7081

Members

Sec. 6.01. The corporation may act for members of the National Association of Securities Dealers, Inc. actually engaged in the securities business and banks, trust companies and similar institutions, whose application to the corporation have been approved and who have entered into any prescribed agreement with the corporation and complied with other conditions of participation.

The board of directors shall have the authority to devise and from time to time amend forms of applications and agreements containing the conditions under which each class of eligible persons, firms or corporations shall be permitted to participate and which shall be signed by each applicant and delivered to the corporation. The corporation may at any time in its discretion cease either temporarily or definitively to act for any such participant, and shall

definitively cease to act when notified by a participant in writing to do except insofar as provision is made in the rules of the corporation for pending transactions.

§ 7082

Clearing Members

Sec. 6.02. Any member of the National Association of Securities Dealers, whose application to become a Clearing Member has been approved by the corporation shall pay to the corporation the required original contribution to the Clearing Fund in accordance with the provisions of Article hereof and shall sign and deliver to the corporation an instrument in writing whereby such applicant shall agree substantially as follows:

(a) That the Clearing Member will clear or settle through the corporation directly or through another Clearing Member every contract and transaction to which he is a party and which the by-laws or rules of the corporation may require to be cleared or settled through the corporation.

(b) That the Clearing Member will abide by the by-laws and rules of the corporation and shall be bound by all the provisions thereof including provisions prescribing the liens which the corporation shall have upon securities which are the subject of transactions had for the Clearing Member's account, and that the corporation shall have all the liens, rights, and remedies contemplated by said by-laws and rules.

(c) That the by-laws and rules of the corporation shall be a part of the terms and conditions of every contract or transaction which the Clearing Member may have with the corporation and of every contract or transaction which the by-laws and rules of the corporation may require to be cleared or settled through the corporation, or which the Clearing Member may submit for settlement, and that the Clearing Member will comply with and be bound by the by-laws and rules of the corporation in respect of a transaction submitted by him for settlement whether or not the by-laws and rules expressly made a part of the terms and conditions of the transaction to be settled.

(d) That the Clearing Member will pay to the corporation the compensation provided for by the by-laws and rules of the corporation for clearing and other services and such fines as may be imposed in accordance with such by-laws and rules of the corporation for the failure of the Clearing Member to comply therewith.

(e) That the Clearing Member will pay to the corporation any amount which pursuant to the provisions of Article 8 hereof shall become payable to the Clearing Member to the corporation.

(f) That the Clearing Member's books and records shall at all times be open to the inspection of the duly authorized representatives of the corporation, that the corporation shall be furnished with all such information in respect of the Clearing Member's business and transactions as it may require and that any such information obtained by or given to duly authorized representatives of the corporation or of the National Association of Securities Dealers, Inc. may be made available by either organization to the other provided, that the corporation shall have no right to inspect the books and records or to require information relating to transactions wholly subsequent to the time when a Clearing Member ceases to be such.

(g) That the determination of the corporation by its board of directors of all questions affecting the charges to which the Clearing Member's contribution to the Clearing Fund is or may be subject shall be final and conclusive.

(h) That the Clearing Member will be bound by any amendment to the by-laws and rules of the corporation with respect to any transaction occurring subsequent to the time such amendment takes effect as fully as though such amendment were now a part of the by-laws and rules of the corporation provided however that no such amendment shall affect the Clearing Member's right to cease to be a Clearing Member or alter the provisions of Article 8 of the by-laws of the corporation unless before such amendment becomes effective the Clearing Member is given an opportunity to give written notice to the corporation of his election that it shall definitively cease to act for him.

¶ 7083

Sec. 6.03. A Clearing Member who clears, settles, or carries out through the corporation any contract or transaction for a person, firm or corporation who is not a Clearing Member shall, so far as the rights of the corporation and all other Clearing Members are concerned, be liable as principal.

The corporation without ceasing to act for a Clearing Member, may decline to act with respect to any particular transaction or class of transaction.

Insofar as provision is made in the rules of the corporation for transactions pending where the corporation ceases to act for a Clearing Member, the Clearing Member shall be bound by action of the corporation taken pursuant to said rules.

¶ 7084

Bank Members

Sec. 6.04. Any bank, banker or trust company whose application to become a Bank Member has been approved by the corporation and which has entered into an agreement with the corporation in form prescribed by the board of directors of the corporation shall be entitled as a Bank Member to participate in the operations of the corporation to the extent and subject to a majority of the terms and conditions set forth in the by-laws and rules of the corporation.

¶ 7085

Special Members

Sec. 6.05. The board of directors may at any time and from time to time permit members of the National Association of Securities Dealers, Inc. actually engaged in the securities business and banks, trust companies and similar institutions to participate in the operations of the corporation as Special Members to such extent and subject to such terms and conditions as may be prescribed by the by-laws and rules of the corporation or by resolution of the board of directors.

ARTICLE 7

¶ 7086

Lists to be Maintained

Sec. 7.01. The corporation shall maintain a list of the stocks, bonds, notes and rights to subscribe and other securities, rights or interests which may be the subject of contracts cleared through the corporation and which are hereinafter called "Cleared Securities" and may from time to time add securities or remove them from such list.

¶ 7087

Sec. 7.02. The corporation shall maintain and keep current lists of the sons, firms and corporations eligible to participate in the operation or use the facilities of the corporation. Clearing Members, Bank Members each class of Special Members, if any, shall be separately classified.

ARTICLE 8

¶ 7088

Clearing Fund

Sec. 8.01. The contribution of each Clearing Member to the Clearing Fund shall be fixed by the corporation in its discretion at the time of Clearing Member's application for membership and may thereafter from time to time be increased or diminished by the corporation, but the minimum contribution to be made by a Clearing Member shall be Ten Thousand Dollars (\$10,000).

The contribution of each Clearing Member to the Clearing Fund shall be payable in cash but the corporation may, in its discretion, permit a portion of such contribution to be covered by deposit of unmaturing bearer bonds which are direct obligations of, or obligations guaranteed as to principal and interest by, the United States or a state or political subdivision of a state having a market value not less than the amount of his contribution covered thereby. To be acceptable any such bonds of, or guaranteed by, a state or political subdivision thereof must be listed in the first or second rating by at least one nationally recognized statistical service. Such bonds (or certificates of deposit therefor in form approved by the corporation) shall be delivered to the corporation pursuant to an agreement containing such terms and conditions as may reasonably be prescribed by the corporation to assure the availability of the bonds to meet obligations payable from the Clearing Fund including provisions permitting the corporation to pledge such bonds to secure obligations payable from the Clearing Fund or loans obtained to pay such obligations. The corporation shall fix and may from time to time increase or decrease the proportion, if any, of a Clearing Member's contribution to the Clearing Fund which may be covered by deposit of bonds. Each Clearing Member shall forthwith on demand by the corporation pay in cash such portion of his Clearing Fund contribution as has theretofore been covered by deposit of bonds.

¶ 7089

Sec. 8.02.* In the discretion of the Board of Directors, any cash contribution to the Clearing Fund may from time to time be partially or wholly invested by the corporation as administrator of the Clearing Fund in securities issued or guaranteed by the United States and securities issued by any United States Government agency whether or not guaranteed by the United States and to the extent not so invested shall be deposited by the corporation in a special Clearing Fund trust account or accounts in a depository or depositories having membership in the Federal Deposit Insurance Corporation. Amounts deposited in such Clearing Fund accounts may be withdrawn only for purposes of the Clearing Fund as specified in this Article, upon check or orders of the corporation signed by an officer or officers of the corporation designated by its board of directors.

* Adopted May 19, 1970.

7028

Any securities in which the Clearing Fund is invested by the corporation and any securities deposited by Clearing Members in lieu of paying cash the Clearing Fund shall be held by the corporation or for its account by bank or trust company, and shall at all times be kept separate and apart from other securities held by the corporation in such manner as to be readily identifiable as held in trust for purposes of the Clearing Fund. Such securities may be pledged by the corporation to secure obligations payable from the Clearing Fund or loans obtained to pay such obligations, and may be used by the corporation to provide for such obligations.

Any interest paid by the depositories on cash in the Clearing Fund or on securities in which the corporation has invested cash in the Clearing Fund shall be payable to the corporation free of any trust as compensation for the administration of the Fund. Interest accrued or paid on securities deposited by a Clearing Member in lieu of paying cash shall belong to the Clearing Member so long as the Clearing Member is not in default in any obligation to the corporation.

No depository of cash in the Clearing Fund and no bank or trust company having custody of securities held for purposes of the Clearing Fund shall have any responsibility or liability for application of cash or securities withdrawn by duly authorized officers of the corporation.

For purposes of Sections 8.01 and 8.02, the term "obligations payable from the Clearing Fund" shall include all obligations of such character that they will be payable from the Clearing Fund unless otherwise provided for.

¶ 7090

Sec. 8.03. If any Clearing Member shall fail to discharge fully any liability to the corporation, the amount of his contribution or so much thereof as is necessary shall forthwith be applied toward the discharge of such liability and such member shall immediately upon demand make good the deficiency in the amount of his contribution resulting from such application.

¶ 7091

Sec. 8.04. If the corporation suffers a loss in excess of a Clearing Member's contribution to the Clearing Fund by reason of his default, or if the corporation suffers a loss in connection with clearing or settling or carrying out any contract or transaction for its members (including any loss by reason of the insolvency of any depository, or larceny or embezzlement of any funds or securities) such excess loss, or such loss, as the case may be, shall to the extent of the earned surplus of the corporation be made good therefrom, but to the extent that said surplus is insufficient, shall be made good out of the Clearing Fund and charged pro rata against the contributions, as fixed at the time of the transaction from which the loss results, of the Clearing Member other than the Clearing Member, if any, primarily liable.

Insofar, however, as a loss sustained through the default of a Clearing Member in any contract or transaction with another Clearing Member or other Clearing Members is under the rules of the corporation made good by such other Clearing Member or Clearing Members, it is not to be deemed a loss sustained by the corporation within the meaning of this Section.

¶ 7092

Sec. 8.05. Liabilities of the corporation other than liabilities arising out of the loss of the character specified in Section 8.04 of this Article shall be payable from any available assets of the corporation other than the Clearing Fund. If the operations of the corporation terminate for any reason, the amounts in the Clearing Fund in excess of liabilities payable therefrom provided in Section 8.04 shall be returned to the Clearing Members for whom account they are held, without charge or diminution on account of claims of creditors, expenses of winding up or otherwise.

¶ 7093

Sec. 8.06. The corporation shall give to each Clearing Member at least 30 days' notice in writing of any proposed increase in his contribution to the Clearing Fund, specifying the amount and the day and hour when the increase is to be effective. Unless, prior to the time on which the increase is to be effective, the Clearing Member gives written notice to the corporation of his election that it shall definitively cease to act for him, the Clearing Member shall pay the amount of the increase to the corporation not later than the time specified, and the liability of his contribution for losses sustained at and after such time be fixed and determined by the amount of his contribution as increased. If a pro rata charge against any Clearing Member's contribution is made pursuant to the provisions of Section 8.04, he shall forthwith pay or deliver to the corporation such cash and securities as may be necessary to make good the amount of his contribution, and his liability on account of other transactions occurring before he ceases to be a Clearing Member shall be measured by the amount of his contribution as so made good.

¶ 7094

Sec. 8.07. Whenever a Clearing Member definitively ceases to be such, the amount of his contribution shall be returned to him or his representative, but not until all transactions open at the time he ceases to be a Clearing Member from which losses or payments chargeable to the Clearing Fund might result have been closed and all amounts chargeable against his contribution on account of transactions had while he was a Clearing Member have been deducted or, with the approval of the corporation, another Clearing Member has been substituted on each such transaction.

¶ 7095

Sec. 8.08. If the amount of a Clearing Member's contribution to the Clearing Fund is decreased by the corporation, the excess of his contribution shall be paid to the Clearing Member as soon as all transactions open at the time of such decrease from which losses and payments chargeable to the Clearing Fund might result have been closed, and after charging to his contribution any amount so chargeable on account of transactions previously incurred.

¶ 7096

Sec. 8.09. If a loss charged pro rata against the contributions of Clearing Members is afterward recovered by the corporation, in whole or in part, the net amount of such recovery shall be credited to the Clearing Members against whose contributions the loss was charged in proportion to the amount charged against their respective contributions whether or not they are still Clearing Members.

ARTICLE 9

¶ 7097

Rules

Sec. 9.01. The board of directors shall adopt and from time to time amend rules of the corporation governing the conduct of its business, the respective rights and obligations of the corporation. Members and others doing business with or through the corporation, and such other matters as the board of directors may deem appropriate. Without limiting the generality of the foregoing, the rules may prescribe:

(a) the contracts and transactions which may be cleared or effected through the corporation or its facilities;

(b) procedures for reporting transactions to be cleared and effecting delivery and settlement thereunder, and procedures in connection with any other transactions by or through the corporation or its facilities;

(c) the respective rights and obligations of the corporation, Members and others in connection with all transactions effected by or through the corporation or its facilities;

(d) procedures for determining the rights and liabilities of Clearing Members in respect of the Clearing Fund provided for in Article 8 of these by-laws;

(e) the rights and remedies of the corporation on account of amounts paid out for the account of Members and others, including the liens and other rights of the corporation in respect of funds and securities held for the account of such persons;

(f) rights of the corporation to pledge securities in the Clearing Fund and securities held for the account of Clearing Members to secure loans and other obligations of the corporation;

(g) fines and other penalties for violation of the rules, and procedures for determining the existence of violations and assessing fines and other penalties;

(h) the charges to be made by the corporation for services performed by it or for use of its facilities;

(i) such other rules as are not inconsistent with the certificate of incorporation and by-laws as the board of directors may deem necessary or convenient to carry out the purposes of the corporation.

¶ 7098

Sec. 9.02. The board of directors of the corporation shall have power to interpret the rules adopted pursuant to this Article and any such interpretation shall be final and conclusive. The rules of the corporation made in accordance with these by-laws and any interpretations thereof by the board of directors shall have the same force and effect as duly adopted by-laws of the corporation in the same manner as though set forth at length herein.

➤ The following is Article XVII of the NASD By-Laws

ARTICLE XVII

Clearing and Settling of Transactions of Members

¶ 7099 Transactions to Be Cleared Through Facilities of National Clearing Corporation

Sec. 1. All over-the-counter transactions in securities between members shall be cleared and settled through the facilities of National Clearing Corporation, a subsidiary of the Corporation unless

(a) the security involved in the transaction shall not have been qualified for clearance by the Board of Directors of National Clearing Corporation under the standards established by the Rules of National Clearing Corporation,

(b) one or more of the members involved in the transaction shall have been qualified as a Clearing Member by the Board of Directors of National Clearing Corporation pursuant to standards established by the Rules of National Clearing Corporation, or

(c) the rules of the National Clearing Corporation provide that the transaction shall not be cleared through the facilities of the National Clearing Corporation.

¶ 7099A Transactions Subject to Rules of National Clearing Corporation

Sec. 2. All transactions in securities between members which are cleared and settled through the facilities of National Clearing Corporation shall be subject to the rules of National Clearing Corporation as such rules shall be adopted and from time to time amended by the Board of Directors of National Clearing Corporation, approved by the Board of Governors of the Corporation and not disapproved by the Securities and Exchange Commission. Such rules or amendments shall become effective on such date as is prescribed by the Board of Directors of National Clearing Corporation, unless such date is extended by the Board of Governors of the Corporation.

¶ 7099B Aggrievement Procedures

Sec. 3. Members and other persons aggrieved by action taken or authorized by the Board of Directors of the National Clearing Corporation in applying such rules, qualifications, criteria, standards, and charges, or in any way ensuing out of the operation of the national clearing system shall, in any case for which binding and final arbitration has not been provided by the rules of the National Clearing Corporation, upon filing a complaint with the Board of Governors of the Corporation, be entitled to a hearing thereon if requested, decision and review by the Board of Governors in accordance with procedures specified by the Board. Such rules for the filing of a complaint with the Board and the hearing, decision and review by the Board shall be incorporated into Schedule F to be attached to and made a part of these By-Laws. The Board of Governors shall have power to adopt, alter, amend, supplement or modify the provisions of Schedule F from time to time without recourse to the membership for approval as would otherwise be required by Article IX hereof and Schedule F, as adopted, altered, amended, supplemented or modified shall become effective as the Board of Governors may prescribe unless disapproved by the Commission.

[Article XVII amended effective November 8, 1971.]

This Schedule has been prepared pursuant to the provisions of Section of Article XVII of the Corporation's By-Laws and contains the rules and procedures to be followed in connection with complaints filed with the Board of Governors of the Corporation by members of the National Clearing Corporation and other persons aggrieved by action taken or authorized by the Board of Directors of the National Clearing Corporation in the operation of its nationwide system for clearing and settling over-the-counter transactions in securities other than those which are required to be submitted to arbitration under the rules of the National Clearing Corporation.

Section 1—Form of Complaint

All complaints shall be in writing, on a form to be supplied by the Board of Governors, and specify in reasonable detail the source and nature of the grievance and the form of redress requested. If the complaint consists of several matters or items, each matter or item shall be stated separately. All complaints must be signed and shall be directed to the Board. Counsel for the Corporation shall file a response to each complaint, in writing, within a reasonable time and send a copy thereof to the complainant.

Section 2—Request for Hearing

If a hearing is desired, a complainant must so request at the time of initiation of his complaint. If requested, a hearing shall be held after reasonable notice to complainant. In the absence of a request for a hearing, the Board of Governors may, in its discretion, direct that a hearing be held if it deems such action necessary or appropriate.

Section 3—Hearing

If a hearing is held pursuant to Section 2 hereof, it shall be before one person or persons designated by the Board of Governors in a place reasonably convenient to complainant. Complainant shall be entitled to be heard in person and by counsel and to submit any relevant matter which he may desire to present. Counsel for the Corporation and for the National Clearing Corporation or other designated Corporation personnel and National Clearing Corporation personnel may participate in such hearing and be entitled to submit any relevant matter which they may desire to present in respect thereto. In any such proceeding a record shall be kept.

Section 4—Initial Decision

Decisions on complaints shall be in writing and a copy sent by mail to the complainant. Where there is no hearing, the decision shall be by one person or persons designated by the Board of Governors. Where there is a hearing, the decision shall be by the person or persons conducting the hearing. The written decision shall contain the reasons supporting the decision and the conclusions.

Section 5—Review by Board

The initial decision shall be subject to review by the Board of Governors on its own motion within thirty (30) days after issuance. Any such decision shall also be subject to review upon application of any person aggrieved thereby, filed within fifteen (15) days after issuance. The institution

review, whether on application or on the initiative of the Board, shall not operate as a stay of the action complained of.

Section 6—Findings of Board on Review

Upon consideration of the record, and after such further hearings as the Board of Governors shall order, if the Board shall find that the initial decision is incompatible with the nature and purposes of the Corporation or the National Clearing Corporation, or with their duties, rules and regulations, or with applicable statutes and governmental regulations, the Board shall in writing, modify, amend, or reverse such decision or remand the matter for further findings and decision consistent with its instructions. Otherwise the Board shall affirm the initial decision. The Board shall set forth the specific grounds upon which its determination is based. The complainant shall be notified promptly and be sent a copy of any written decision by the Board of Governors on review.

Section 7—Application to Commission for Review

In any case where a complainant feels aggrieved by any decision of or action taken by and/or approved by the Board of Governors in relation to the National Clearing Corporation, and the statute permits appeal, the complainant may make application for review to the Securities and Exchange Commission in accordance with Section 15A of the Securities Exchange Act of 1934, as amended.

[Schedule F adopted effective November 8, 1971.]