

MEMO# 5312

November 8, 1993

STEPPED UP COMMISSIONS

November 8, 1993 TO: BROKER/DEALER ADVISORY COMMITTEE NO. 33-93 RE: STEPPED UP COMMISSIONS _____ During the Broker Dealer Advisory Committee meeting of October 25th 1993, the Committee began discussion of the processing of trades involving stepped up commissions. At present, Broker/Dealers typically enter these trades outside the NSCC Fund/Serv environment, but interest has been expressed in processing such trades through normal Fund/Serv channels. Jonathan Boehm of Kemper Service Company agreed at the meeting to spearhead an analysis of Fund/Serv's capability for handling trades involving stepped up commissions. In order to do so, he will need input from Fund Companies as to stepped up commission and finders fee arrangements. He will also need input from Broker/Dealers as to their existing practices with such trades, as well as any proposals they might have for integrating such trades into mainstream Fund/Serv processing. As agreed at the meeting, this information is to be forwarded to Jonathan via the ICI. Hence, please forward any information you deem useful or appropriate to me. The ICI's address is listed above, and the fax number is 202-293-1058, should you wish to use that medium. Since we would like to have a proposal together for the committee's next meeting, please forward pertinent information to me no later than December 1, 1993. If you have any question, please call me at 202-955-6262. Thank you. Kevin Farragher Director of Operations - Distribution & Service

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