

MEMO# 4756

May 3, 1993

NETWORKING AGREEMENT

May 3, 1993 TO: INSURANCE BROKER-DEALER ADVISORY COMMITTEE NO. 7-93 BANK
BROKER/DEALER ADVISORY COMMITTEE NO. 11-93 RE: NETWORKING AGREEMENT

Enclosed for your information is a copy of the standard NETWORKING Agreement which was developed as a cooperative undertaking of representatives of the fund and brokerage industries. The Agreement underwent many rounds of negotiations between funds and brokers in numerous ICI task force and committee meetings and reflects the consensus and reasonable compromises of both groups. In developing the Agreement, the Institute utilized the services of outside securities law counsel for research and writing. Many major brokers and mutual fund groups who are NETWORKING participants have agreed to utilize the revised Agreement. In addition, the NSCC has agreed to begin accepting executed copies of the revised Agreement from NETWORKING participants and to identify in its regular reports to NETWORKING participants those participants who have executed the Agreement. The Institute is continuing to work with the NSCC to have an NSCC proposed rule filed with the SEC requiring each NETWORKING participant to execute and file the Agreement with the NSCC in order to begin or continue its participation in NETWORKING. Attached is a description of the various NETWORKING matrix levels that can be used as Exhibit A to the Agreement. However, as provided in Section IV, paragraph 2, this description may be modified in accordance with your individual arrangements with NETWORKING counterparties. Many ICI members and NETWORKING participants have inquired about the status of this project and we are pleased to be able to deliver the Agreement ready to use. - 2 - NETWORKING participants wishing to utilize the Agreement should mail an executed copy of the Agreement to: National Securities Clearing Corporation 55 Water Street New York, NY 10041 ATTN: Dave Hoyt We will keep you informed of further developments. Donald J. Boteler Assistant Vice President - Operations Attachment Enclosure