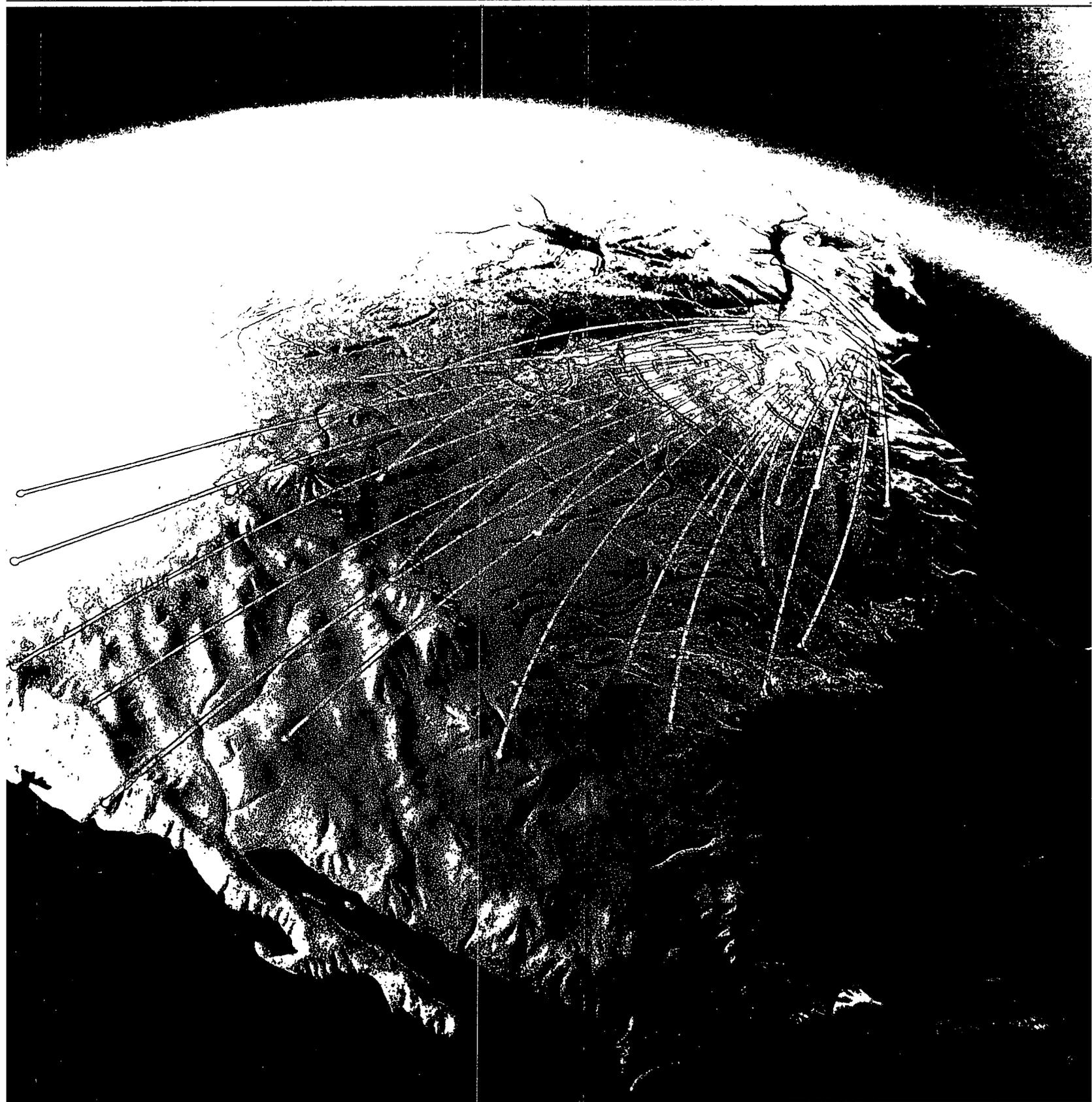


*Responding  
to Changing Needs  
of the Financial  
Services Industry...*



**National  
Securities  
Clearing  
Corporation**

**Officers**

**Corporate Office**

55 Water Street  
New York, New York 10041  
(212) 510-0400

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**J. Ronald Morgan**  
Chairman of the Board

**David M. Kelly**  
President

**John F. Elberfeld**  
Senior Vice President  
Finance

**John L. Kinnaman**  
Senior Vice President  
Marketing, Corporate  
Communications and  
Administration

**Robert A. Schultz**  
Senior Vice President  
Planning and Operations

**Robert J. Woldow**  
Senior Vice President  
Membership and Compliance  
and General Counsel

**Catherine A. Craig**  
Vice President

Human Resources  
and Administration

**Joel Hammer**  
Vice President  
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Vice President  
Operations Planning

**Steve M. Labriola**  
Vice President  
Marketing

**Harvey Layton**  
Vice President  
Compliance

**David F. Hoyt**  
Assistant Secretary  
and Director  
Membership

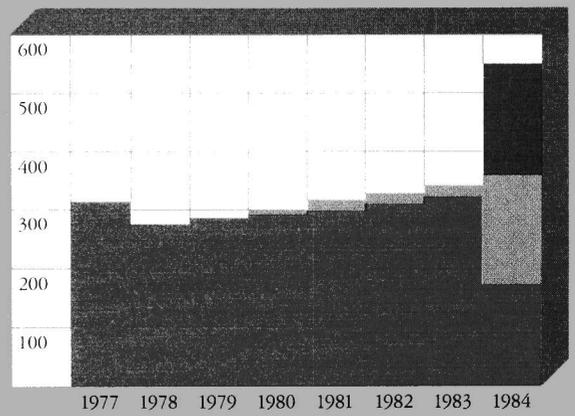
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Cover: From its headquarters in New York, NSCC today reaches participating brokers, dealers and banks throughout North America, providing them with a vital array of trade processing, clearance, settlement and delivery services.

## Participation

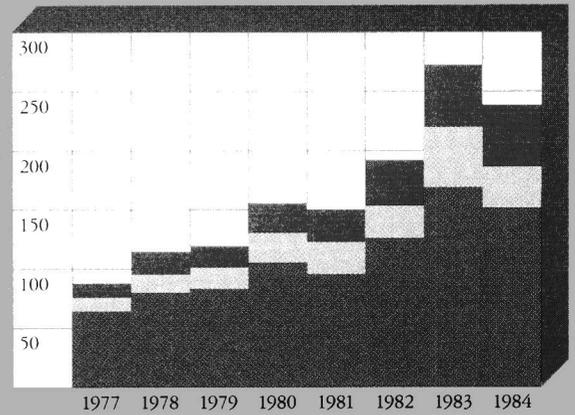
- Participants in Municipal Comparison Only
- Participants in Corporate and Municipal Securities Services
- Participants in Corporate Securities Services



## Average Daily Volume of Trades Processed

(in thousands)

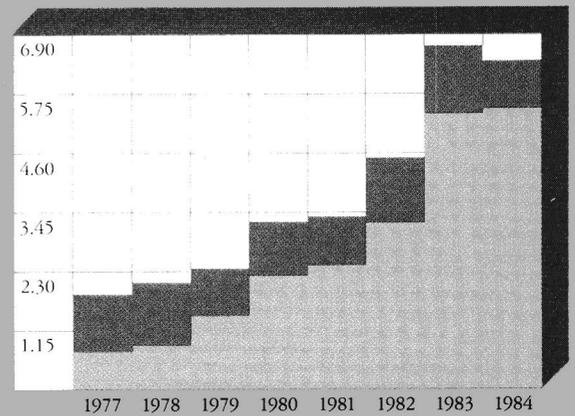
- Municipal Bonds and Others
- OTC Stocks and Bonds
- NYSE and Amex Stocks and Bonds



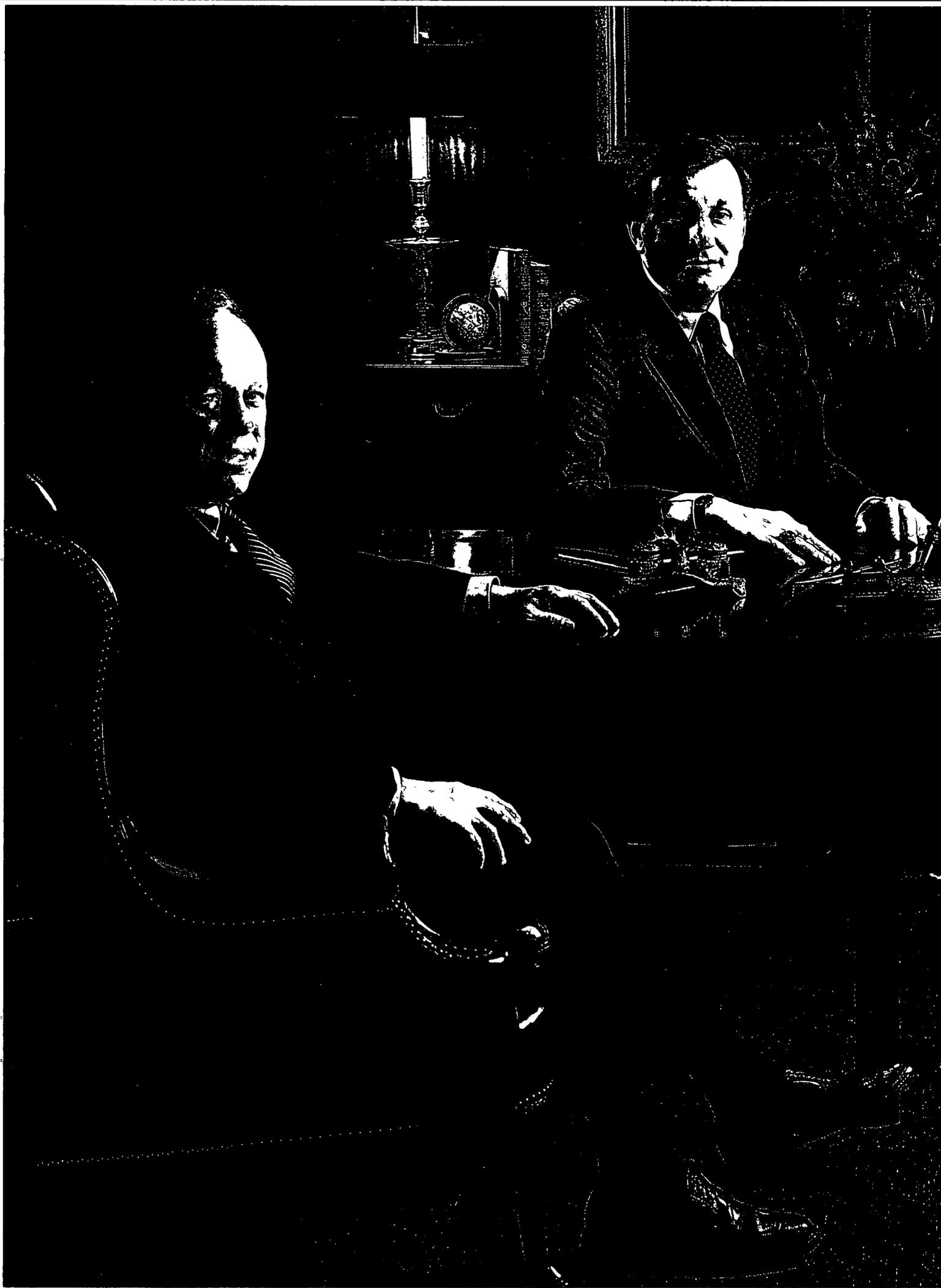
## Average Daily Value of Transactions Settled

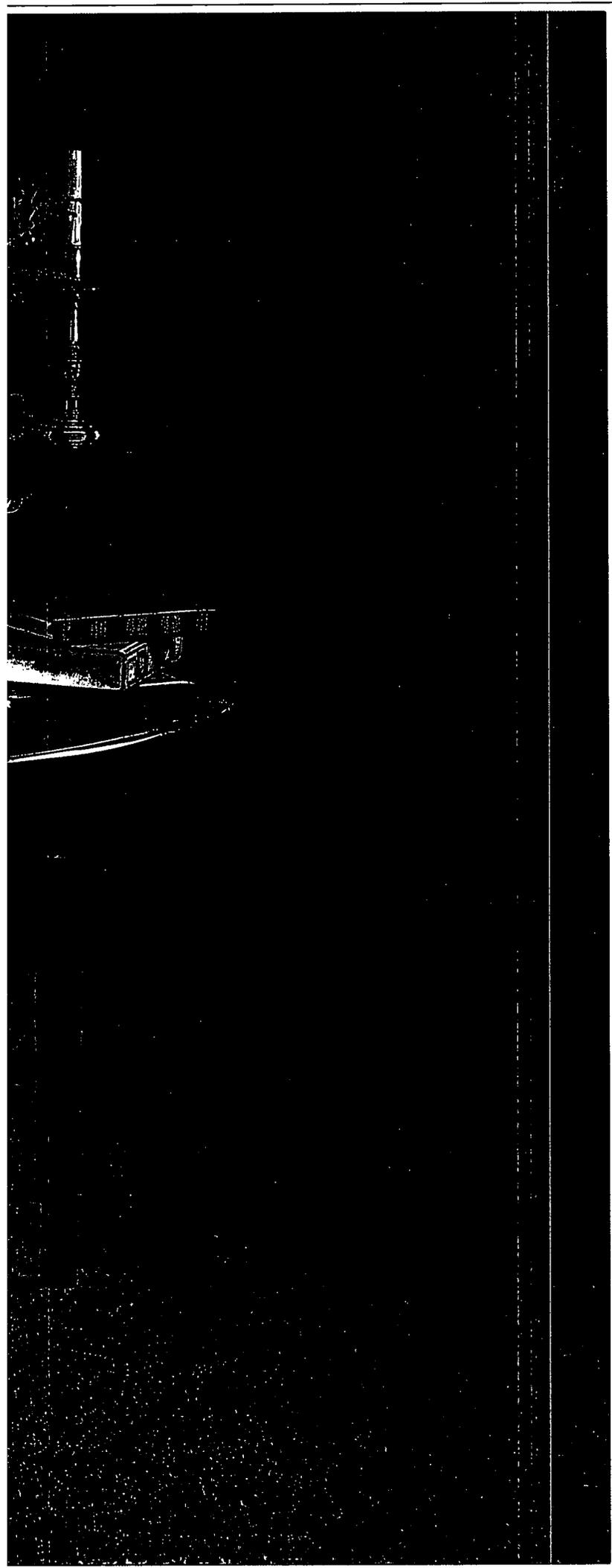
(in billions of dollars)

- Balance Order System and Other
- Continuous Net Settlement (CNS)



To NSCC Participants





### 1984 Milestones

In the past decade, the financial services industry has witnessed vast changes. As this evolution continued during 1984, so did National Securities Clearing Corporation's tradition of anticipating and responding to the changing needs of the industry.

Throughout 1984, NSCC continued to realize efficiencies in processing and in minimizing costs for the financial services industry by integrating a broad spectrum of participants, financial instruments and marketplaces into its automated processing environment.

As a registered clearing agency serving brokers, dealers and banks, NSCC processed the vast majority of equity, corporate bond, municipal bond and unit investment trust transactions in the U.S. domestic securities markets. A new record was set on August 6, when NSCC processed one million sides, the largest number of buy and sell sides ever handled in a single day.

NSCC reached a different processing milestone in late February with the settlement of trades in the eight equity issues that were created by the divestiture of American Telephone and Telegraph Company. NSCC's Continuous Net Settlement System reduced participants' settlement obligations to a final 112 million shares from the 342 million shares originally traded. Processing proceeded smoothly for NSCC and the industry due to the careful planning and preparations for increased volume.

The transition of the municipal bond industry to automated comparison was another record achievement in 1984. NSCC played a major role in helping the industry fulfill the Municipal Securities Rule-making Board's G-12 amendment calling for brokers, dealers and dealer-banks to compare trades in a more automated environment, initially focusing on secondary-market trades settling in five days. More than 1,000 financial organizations now utilize NSCC's National System for Municipal Bond Processing either directly or through correspondents. This has set the stage for new challenges. In 1985, NSCC is planning to expand its automated comparison services to include several other types of municipal bond transactions which represent an estimated 30% to 60% of dealer activity. NSCC will compare when-issued municipal bonds in the often active trading period before regular-way trading and clearance begins, and will also clear regular-way municipal bond trades that settle on an extended schedule.

In another trend affecting the financial services industry, there was a broadening focus in 1984 on international trading and 24-hour markets. NSCC, with The Canadian Depository for Securities Limited, established procedures for cooperative clearance and settlement. This new relationship can potentially automate the processing of an additional 17,000 daily transactions, valued at up to \$60 million. As an NSCC participant acting on its members' behalf, CDS now provides a separate NSCC clearing account to each member. NSCC sponsors CDS's accounts at The Depository Trust Company in order to provide efficient settlement of CDS members' transactions executed in the U.S. CDS initially gained trade settlement efficiencies for New York Stock Exchange, American Stock Exchange, National Association of Securities Dealers' Automated Quotation System and other over-the-counter stock trades in the United States. NSCC's existing interfaces will also enable CDS members to gain additional efficiencies for trades executed on regional stock exchanges, including executions through the linkages between the Montreal and Boston Stock Exchanges and the American and Toronto Stock Exchanges.

In NSCC's increasingly automated links with marketplaces in the United States, 30% of participants' equity transactions in December 1984 were executed and locked-in for comparison through NYSE and Amex automated trading systems. During the latter part of 1984, NSCC began to issue contracts to participants for listed locked-in transactions one day earlier than reports were previously available. NSCC plans to expand this concept in line with industry efforts encouraging earlier reporting, in order to reduce uncertainty and potential risk.

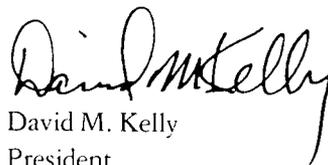
Growth has also been significant in the area of computer-to-computer capabilities between NSCC and participants. During 1984, the number of participants communicating directly to NSCC via computer link-ups nearly doubled.

As NSCC plans for the future, it seems clear that the industry will face even more remarkable changes. NSCC hopes to apply its knowledge and experience to support new financial instruments and activities, and with this in mind, several challenging and ambitious projects are now being developed.

The \$400 billion mutual fund industry is joining forces with NSCC in a program to standardize and automate the processing of fund purchases and redemptions between mutual fund underwriters and broker-dealers who market open-end load funds to the investing public. NSCC proposed the development of a centralized system, which was endorsed by the joint Operations Task Force representing members of the Investment Company Institute and the National Association of Securities Dealers. The NSCC system is expected to standardize procedures, improve efficiency through centralized processing, reduce clerical operating costs and standardize a five-day settlement cycle.

The Automated Customer Account Transfer Service, now in its final planning stages, will enhance the transfer of client accounts from one participant to another. NSCC developed the system in conjunction with the New York Stock Exchange and the National Association of Securities Dealers to provide for the orderly and timely transfer of customer accounts between broker-dealers and to help participants comply with new rules that the two self-regulatory organizations have proposed.

These and other new projects are based on direction provided by the financial services industry. NSCC continues to welcome and encourage the guidance of its Board of Directors, participants and marketplaces served. The organization is committed to providing the best possible service to its participants, while endeavoring to anticipate and respond to the challenges that the industry will face in the years ahead.



David M. Kelly  
President



J. Ronald Morgan  
Chairman of the Board

As an organization created to address the existing and evolving post-trade processing requirements of the financial services industry, National Securities Clearing Corporation provides clearing services that are focused on the needs and special characteristics of financial instruments, marketplaces and participating businesses.

NSCC's role is unique because its services are rooted in a synthesis of industry needs. On the most basic level, the features of particular financial instruments determine the nature and functions of NSCC's processing systems. The trading practices of diverse marketplaces and their corresponding regulatory requirements and volume parameters help to further define NSCC's systems. In addition, NSCC strives to continually enhance its existing capabilities and to anticipate the emerging needs and technological priorities of its broker, dealer, and bank constituents.

A dynamic relationship of growth between NSCC and the financial services industry has resulted from a shared emphasis on processing and cost efficiencies, and risk containment. This complex and vital partnership sets the stage for achieving even greater heights, both in volume capacity and systems capabilities, as the financial services industry evolves.

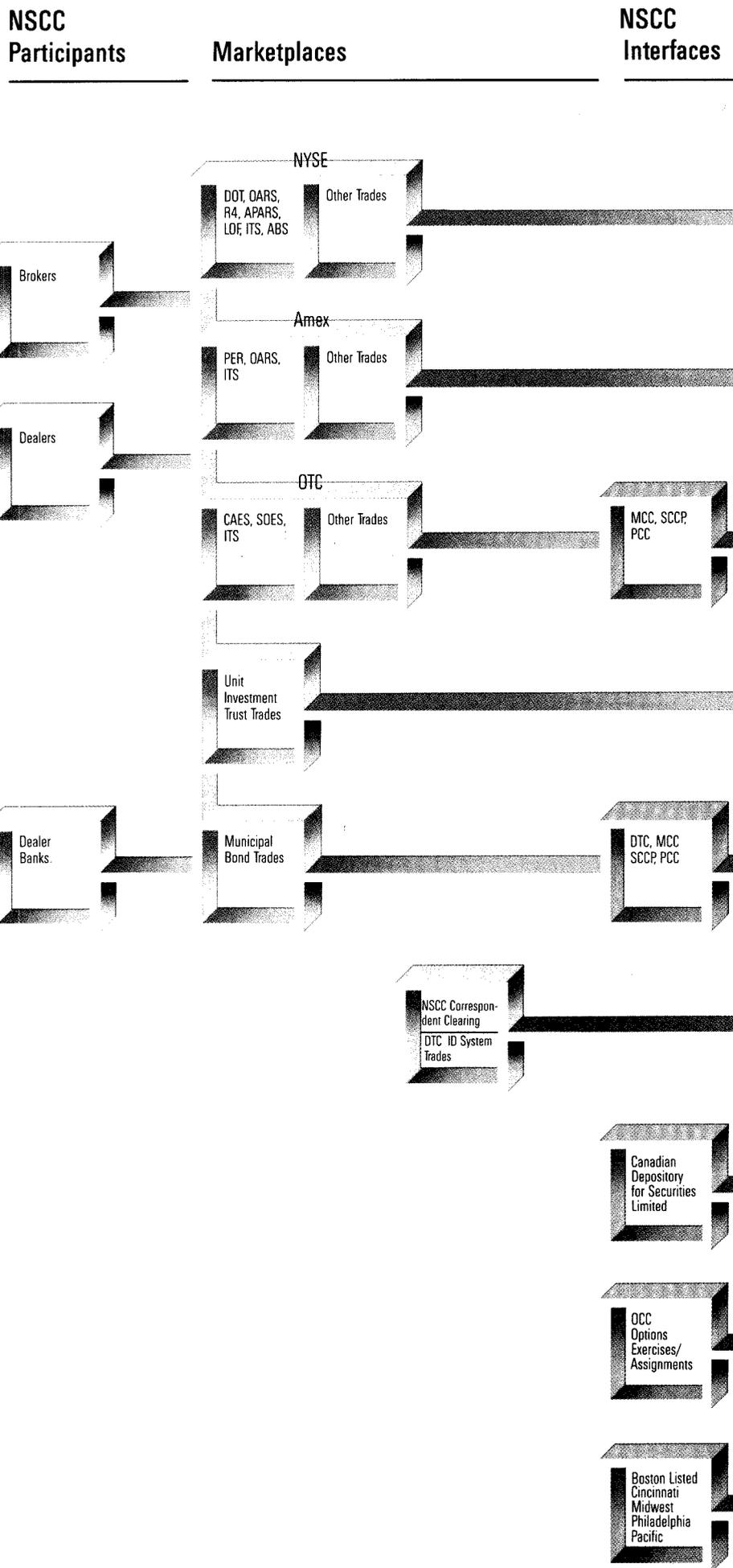
The accompanying chart shows how NSCC interacts on a daily basis with the participating brokers, dealers and banks within the national clearance and settlement system. Complementing NSCC's direct contact with participants are links to the automated trading systems at the New York and American Stock Exchanges and in the over-the-counter market, as well as in the Intermarket Trading System (ITS). These marketplace systems lock in trade details for execution, clearance and audit trail purposes. For example, the New York Stock Exchange reports directly on certain executions through the Designated Order Turnaround (DOT) System, Opening Automated Report Service (OARS), Registered Representative Rapid Response (R4) System, Automated Pricing and Reporting Service (APARS), Limit Order File (LOF) and Automated Bond System (ABS). Certain American Stock Exchange trades executed through the Post Execution Reporting (PER) System and Opening Automated Report Service (OARS) are also locked in, as are trades executed through the National Association of Securities Dealers' Computer Assisted Execution System (CAES) and Small Order Execution System (SOES).

NSCC performs municipal bond and OTC equity comparison services for all participating registered clearing agencies on a national basis. Boston Stock Exchange trades are cleared by NSCC through a consolidated specialist account and individual accounts assigned to floor brokers. NSCC also interfaces with The Canadian Depository for Securities Limited, Options Clearing Corporation, Cincinnati Stock Exchange, Midwest Clearing Corporation (MCC), Stock Clearing Corporation of Philadelphia (SCCP), and Pacific Clearing Corporation (PCC). Confirmed NSCC correspondent trades and affirmed Institutional Delivery (ID) customer transactions from The Depository Trust Company are also netted with participants' dealer trades.

NSCC's trade processing services flow directly into its clearance and settlement systems. The most important of these systems, Continuous Net Settlement (CNS), facilitates automatic book-entry delivery by creating a net long or short position, guaranteed for settlement, in each eligible issue. Alternatives to CNS include Trade-for-Trade and Balance Order accounting. Trade-for-Trade accounting settles each trade separately at the original contract price. Balance Order accounting nets physical deliveries when securities are not eligible for depository processing.

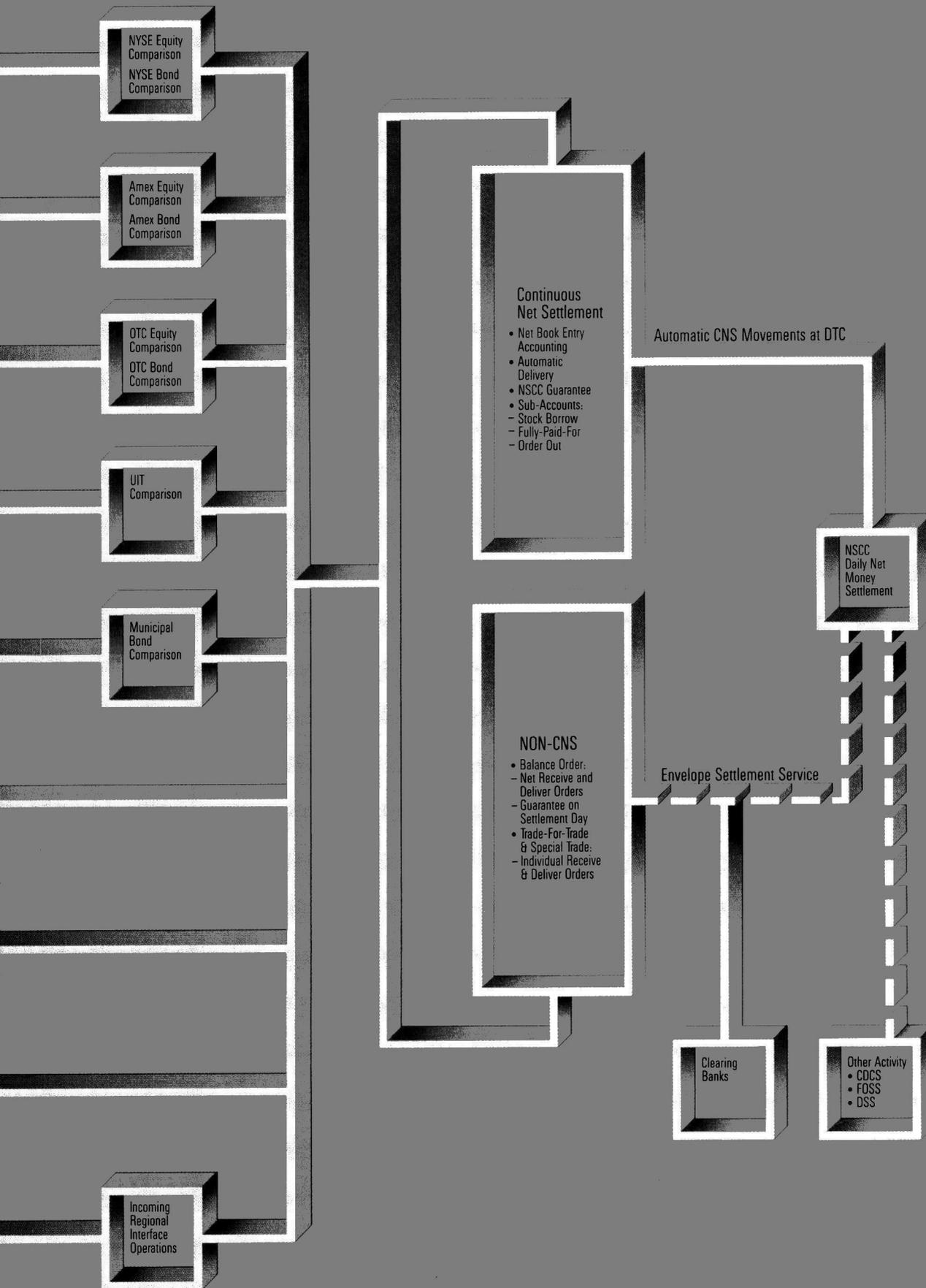
NSCC also provides a variety of securities delivery services. These include the Envelope Settlement Service, Correspondent Delivery and Collection Service (CDCS), Funds Only Settlement Service (FOSS) and Dividend Settlement Service (DSS).

Money settlement is the daily culmination of these integrated services. For each participant, NSCC arrives at a single dollar figure due for payment or collection by accumulating the value of the day's CNS deliveries and receipts, marks to the market on open CNS fail positions, as well as any dividends and interest payable, and the value of receipts and deliveries processed through the Envelope Settlement Service and other delivery services.

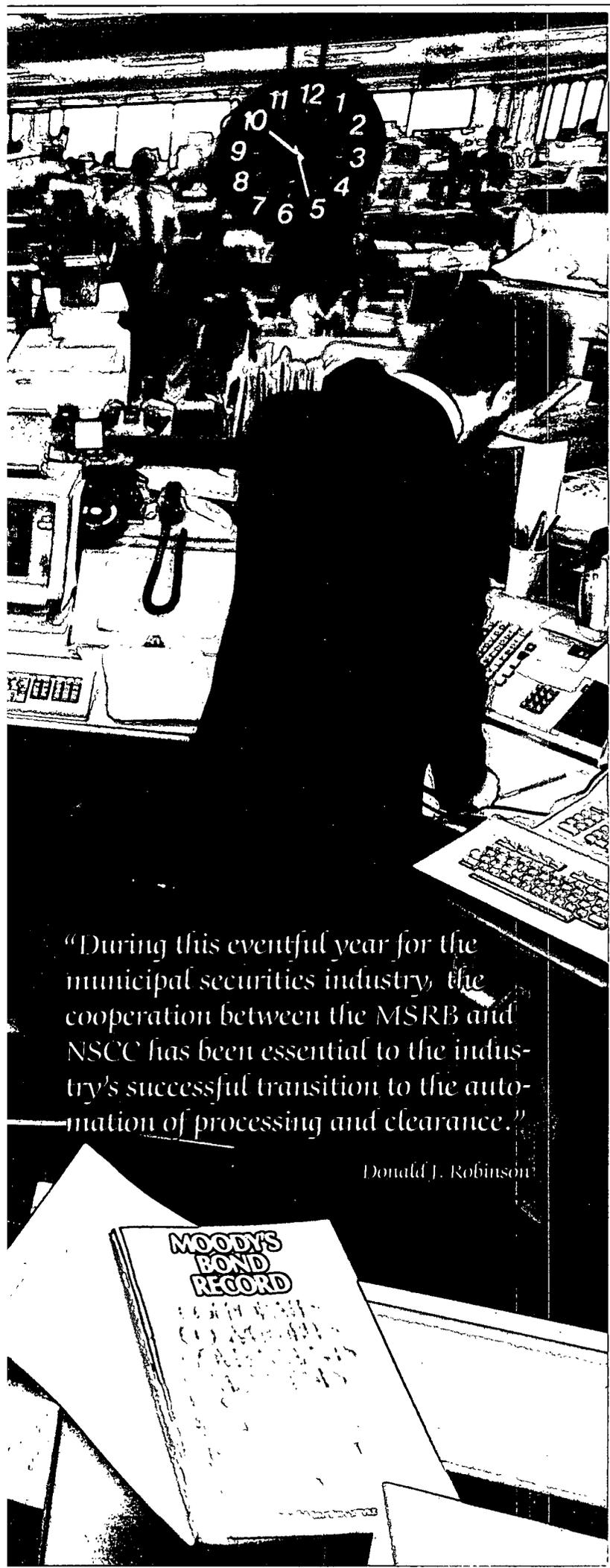


# National NSCC Comparison

# NSCC Clearance and Settlement







*"During this eventful year for the municipal securities industry, the cooperation between the MSRB and NSCC has been essential to the industry's successful transition to the automation of processing and clearance."*

*Donald J. Robinson*

### Municipal Bond Program

Because financial instruments differ in fundamental ways that affect how they trade and are cleared, NSCC has designed services specifically for stocks, corporate bonds, municipal bonds and unit investment trust funds. These services, while driven by the different regulatory and volume capacity requirements of the marketplaces in which participants buy and sell securities, achieve common benefits of processing efficiency, cost-effectiveness and risk-containment.

Historically, NSCC has provided comparison, clearance, delivery, settlement and related services for stocks and corporate bonds bought and sold on the New York and American Stock Exchanges or traded in the over-the-counter market. By centralizing and automating many procedural aspects of these services, NSCC provides significant operational efficiencies to participants' individual businesses and to the securities industry at large.

During 1984, municipal bond trades, previously confirmed manually on a dealer-to-dealer basis, were integrated into NSCC's centralized automated systems in an industry-wide change. More than 1,000 direct and indirect participants began utilizing the National System for Municipal Bond Processing by year-end. The service is specifically tailored to the needs of municipal brokers, dealers and dealer-banks, with special membership options, Trade-for-Trade settlement capabilities and detailed issue descriptions on contracts. During 1985, the system will be further enhanced so that when-issued municipal bonds, as well as trades that settle on an extended schedule, can be processed through NSCC.

Mutual fund purchases and redemptions transacted by broker-dealers will be the next type of financial transaction integrated into NSCC's processing systems. The need for automated confirmation, clearance and settlement of mutual funds has been highlighted recently by steady growth. In 1984, investors' mutual fund purchases and redemptions arranged through broker-dealers represented 57.5 percent of the industry's overall volume, or \$38 billion of the \$66 billion in mutual fund (other than money market) shares purchased and redeemed during the year. In late 1984, NSCC proposed a plan to centralize and automate the confirmation, settlement and registration interaction between mutual fund underwriters and the broker-dealers who market mutual funds to the investing public. NSCC's plan was endorsed by the joint Operations Task Force of the Investment Company Institute and the NASD. The new system will be developed over the course of 1985.

Municipal Securities Rulemaking Board Chairman Donald J. Robinson (right), Partner, Hawkins, Delafield & Wood, and Public Securities Association Chairman Jean J. Rousseau, Senior Vice President and Director of Municipal Markets, Merrill Lynch Capital Markets.

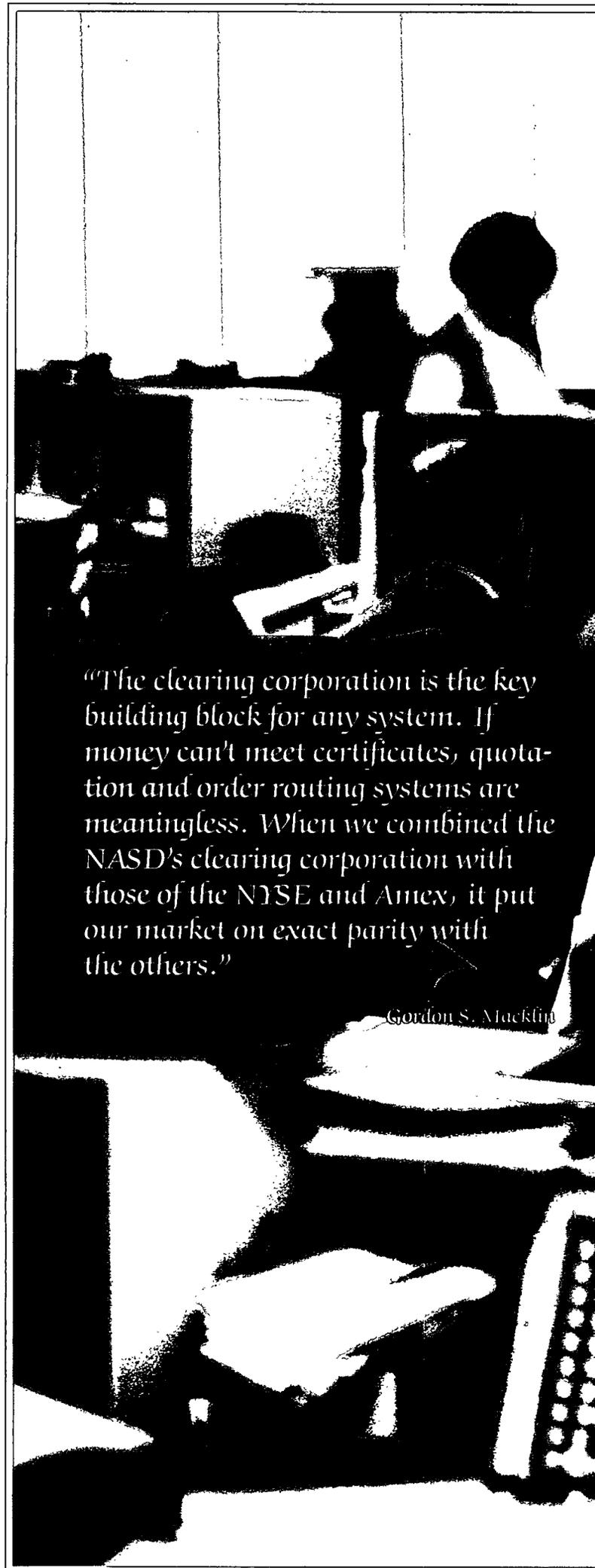
The financial industry's growth and change is often facilitated by NSCC's processing capabilities. The industry has increasingly recognized the need for book-entry systems which "immobilize" certificates. Through the Continuous Net Settlement (CNS) System, one of the industry's most advanced and well-established services, NSCC provides book-entry clearance and settlement linked with participants' central custody accounts at The Depository Trust Company. Beyond the benefits already achieved in terms of the range of financial instruments that are currently processed, CNS can potentially provide expanded efficiencies by incorporating other financial products. A parallel benefit would be to expand the consolidated one-figure daily money settlement to all transactions.

The AT&T divestiture allowed NSCC to provide additional services within the CNS System that were keyed to unique needs at a critical time. NSCC processed the when-issued AT&T securities in a special CNS sub-account and provided participants with daily reports on their net positions and mark-to-market adjustment. CNS cleared most of the when-issued shares of AT&T and the seven divested companies during the three-month transition period from late 1983 through early 1984. When book-entry deliveries occurred in February 1984, the 112 million shares delivered represented a consolidation of 342 million shares actually traded.

In addition to tailoring the CNS System to financial instruments, NSCC has also enhanced CNS with services designed for supplemental financial activities. These include the Stock-Borrow sub-account, which gives participants the option of lending securities to NSCC in exchange for short-term cash credits equal to the securities' full market value, as well as the Fully-Paid-For CNS sub-account, enhanced in 1984 to help participants reduce conditional "iffy" borrows and unnecessary carrying costs through controlled use of customer securities when allocations in the same issues are anticipated.

NSCC is developing another new service, tailored to the industry's supplemental activities, that is scheduled to begin in 1985. The Automated Customer Account Transfer Service, designed to facilitate the transfer of customer accounts from one participant to another, is being developed at the same time that the NYSE and NASD are changing their rules to ensure orderly and timely processing in this area.

Gordon S. Macklin (left), President, National Association of Securities Dealers, Inc., and NASD Chairman Peter D. Byrne, Senior Vice President, Dean Witter Reynolds Inc.

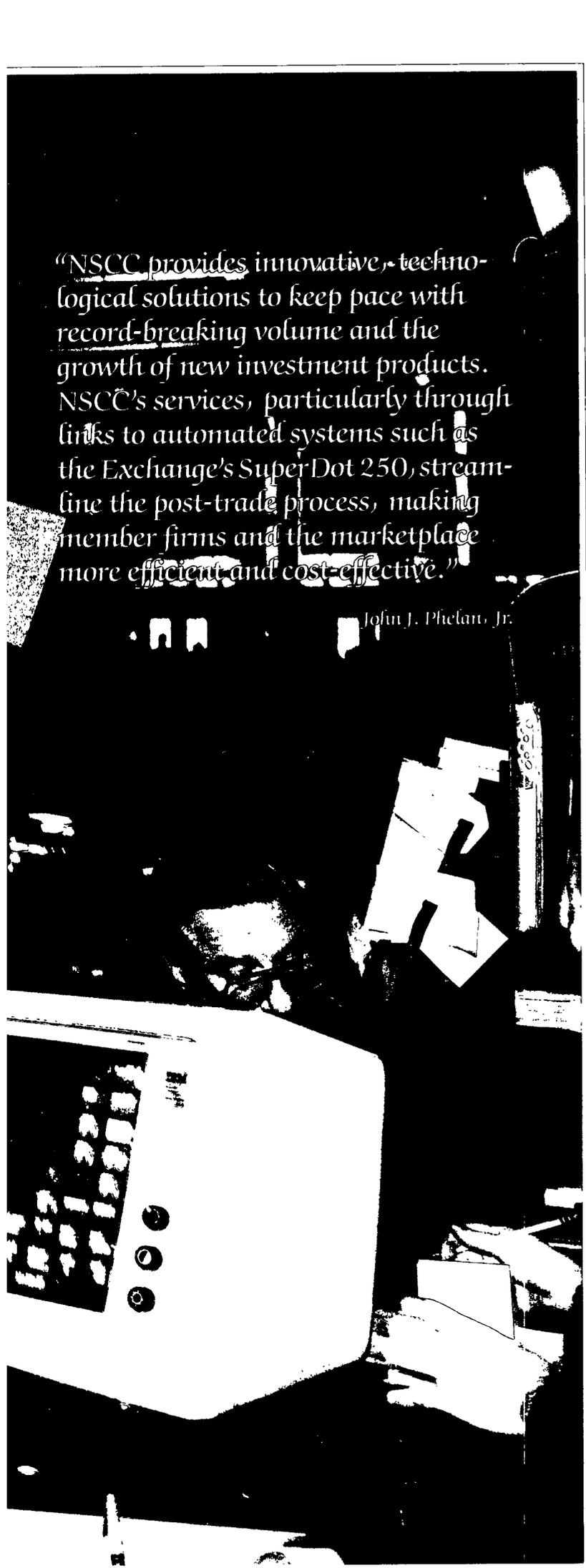


*"The clearing corporation is the key building block for any system. If money can't meet certificates, quotation and order routing systems are meaningless. When we combined the NASD's clearing corporation with those of the NYSE and Amex, it put our market on exact parity with the others."*

Gordon S. Macklin







*"NSCC provides innovative, technological solutions to keep pace with record-breaking volume and the growth of new investment products. NSCC's services, particularly through links to automated systems such as the Exchange's SuperDot 250, streamline the post-trade process, making member firms and the marketplace more efficient and cost-effective."*

John J. Phelan, Jr.

## Innovations

Just as the type of financial instrument affects NSCC's processing, so does the marketplace in which the instrument trades. NSCC's processing for equities is divided into separate streams for trades executed on the New York Stock Exchange, American Stock Exchange and over-the-counter. NSCC's processing streams for bonds are similarly differentiated into systems for NYSE, Amex and OTC bonds, as well as for municipal bonds and unit investment trust funds.

The pooling of these marketplaces' clearing capacity and resources at NSCC has virtually eliminated peak volume risks and processing limitations. During 1984, the average volume of about 240,000 trades a day (compared with the 1977 average of 90,000) was well within the capacity of NSCC's systems. NSCC's processing abilities, helpful at all times, were especially evident on August 6, when a record one million buy and sell sides were processed.

The greater sophistication of the various marketplaces is evidenced not only by volume peaks, but also by innovations which the markets develop, often in conjunction with NSCC. Automated trading systems, now widely proliferated, speed the execution of transactions while also facilitating comparison procedures. New NSCC 'Trade-Date' contracts, for certain listed locked-in transactions, are issued one day earlier than these reports were previously issued. This enables firms to begin their customer and trading account reconciliation earlier, while also streamlining regular-way contracts. NSCC plans to begin production of similar early contracts for certain over-the-counter transactions in 1985.

With the development of new options marketplaces, NSCC's CNS interface with Options Clearing Corporation will provide greater efficiencies for participants as their options exercises and assignments are netted with their current positions in the underlying equities.

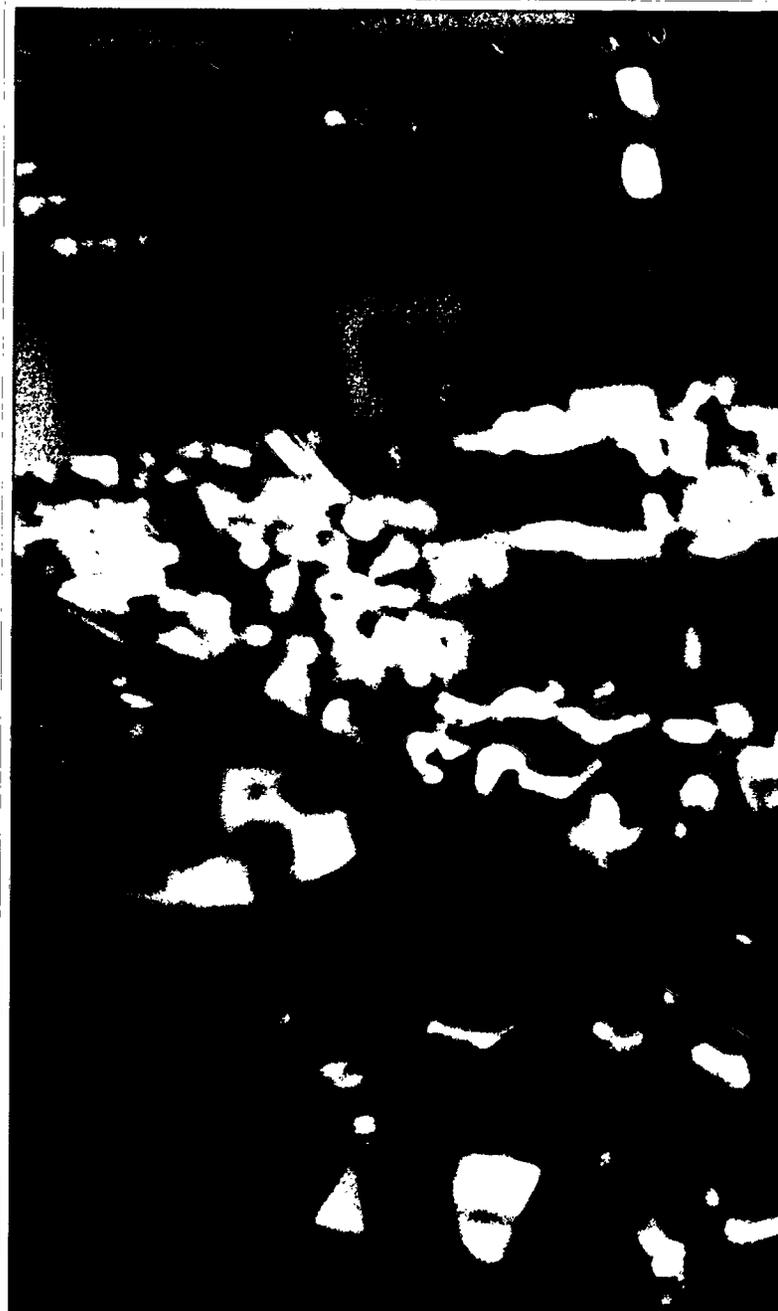
The growth of the financial services industry has brought a corresponding requirement for risk protection. By working with the marketplaces' self-regulatory agencies, NSCC enhances its services to provide increasingly sophisticated protection to the industry, its marketplaces and participants.

NSCC is in a unique position in the clearance and settlement cycle because it guarantees the financial settlement of the majority of trades submitted. In virtually all securities clearance, NSCC operates as the industry's defense against the possibility that a broker, dealer or dealer-bank may be unable to settle its trades as a result of insolvency or other problems, causing a series of losses. The surveillance efforts of NSCC, combined with similar programs by other self-regulatory industry organizations, have allowed the industry to continue to increase volume capabilities while at the same time reducing risk.

Cooperation with marketplace self-regulatory organizations also helps in furthering industry goals as defined by these organizations. A significant example is NSCC's development, in conjunction with the Municipal Securities Rulemaking Board, of the National System for Municipal Bond Processing.

A Municipal Securities Rulemaking Board amendment, effective August 1, 1984, mandated that most municipal bond brokers, dealers and dealer-banks use the automated comparison procedures of a registered clearing agency, such as NSCC. Prior to the August 1 mandate, NSCC launched an all-out effort to work with municipal firms so that they would be in compliance with the MSRB rule changes. This included conducting 44 nationwide seminars to train direct and indirect municipal program participants. NSCC also provided each new participant with complete user documentation and other educational materials aimed at easing their transition.

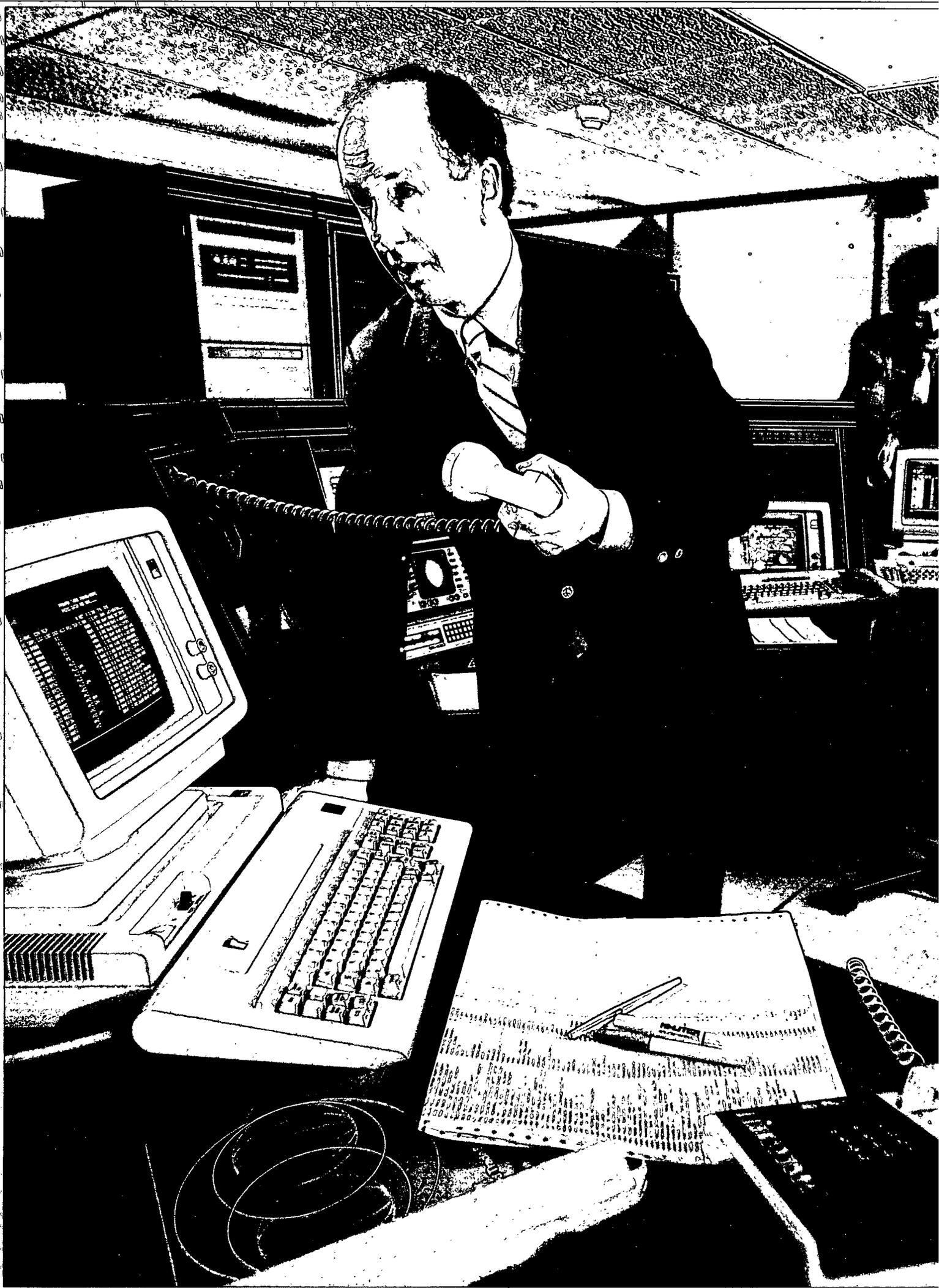
During 1984, NSCC worked with the National Association of Securities Dealers in implementing its multi-phased plan for an OTC equity audit trail program. By collecting additional data from participants' input to NSCC, the NASD can compile a timely database of transactions. The NASD's audit trail program will provide a monitoring system to fulfill a congressional mandate for a Market Oversight and Surveillance System.

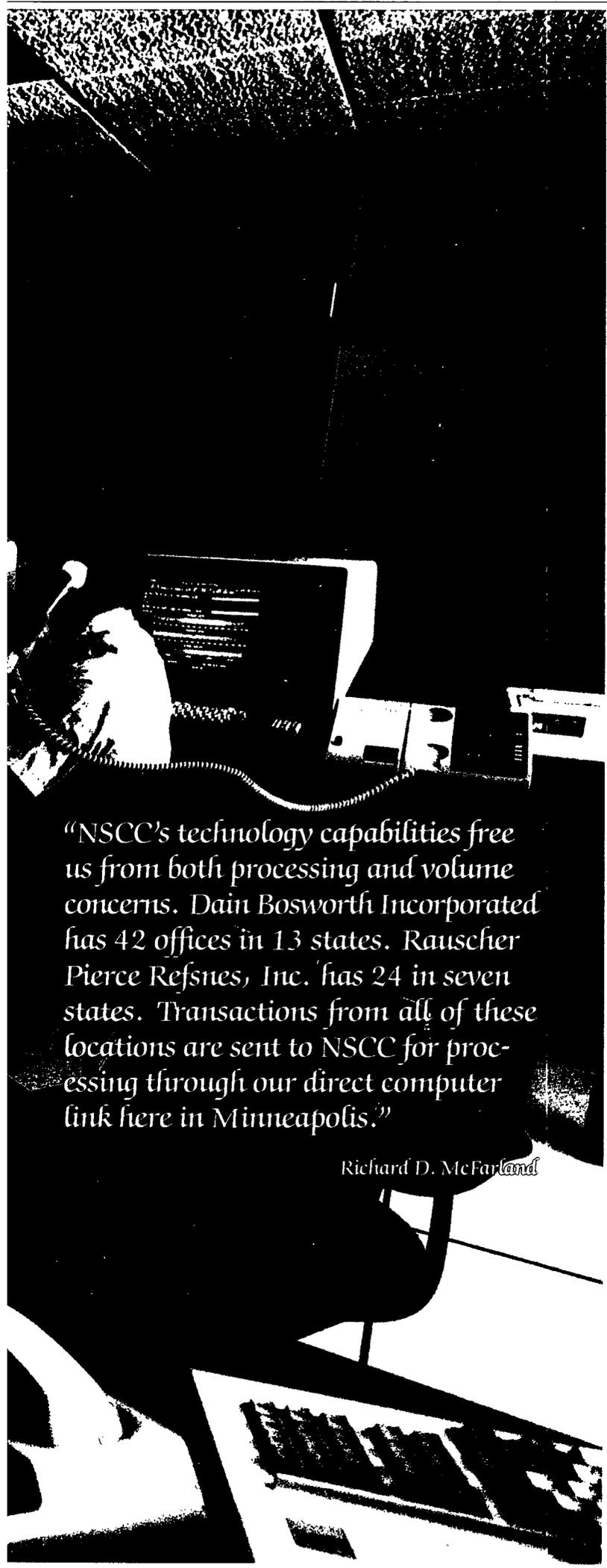


*"Change in the worldwide financial services industry has led the American Stock Exchange to place a strong emphasis on the most advanced technology to help us develop new products and broader markets. In seizing new opportunities, we rely on the processing capabilities that NSCC provides, as well as its willingness to move into the future through cooperative planning efforts."*

*Arthur Levitt, Jr.*







*"NSCC's technology capabilities free us from both processing and volume concerns. Dain Bosworth Incorporated has 42 offices in 13 states. Rauscher Pierce Refsnes, Inc. has 24 in seven states. Transactions from all of these locations are sent to NSCC for processing through our direct computer link here in Minneapolis."*

*Richard D. McFarland*

*Expanded Participation*

The requirements of NSCC's participants are vital considerations in NSCC's development and improvement of cost- and processing-efficient services.

NSCC's per-trade processing costs have been reduced by 40% since 1977, while average daily value of trades processed has more than tripled, to over \$6 billion. One of the ways that NSCC reduced costs and printing time during 1984 was by eliminating pre-printed headings on reports so that ordinary computer paper can be used for the more than 450,000 pages printed at NSCC each day. Among the steps that NSCC took to add efficiency as well as to heighten control of incoming trade information was through the installation of DATATRAK, a system that provides a vital link in NSCC's ability to provide computer-to-computer transmission of all data. DATATRAK performs a preliminary check of the data before it is processed. Implementation of earlier reporting for trades that are locked-in for comparison at execution should add efficiency to participants' processing of trades which they input to NSCC themselves.

With the increasing sophistication and diversity of the financial community, the definition of an NSCC participant has expanded. A record 228 participants joined NSCC in 1984, including 187 under a new membership category, "Municipal Comparison Only." The Municipal Comparison Only membership enables brokers, dealers and dealer-banks to begin comparing trades in an automated environment without simultaneously having to restructure their delivery and settlement procedures.

The municipal bond program has also greatly increased the number of NSCC's direct participants which now provide services to other firms through the use of comparison sub-accounts. As of January 1, eight NSCC participants maintained individual sub-accounts for 160 brokers, dealers and banks. An additional 314 firms clear through NSCC participants as executing brokers, bringing the total number of firms accessing NSCC's National System for Municipal Bond Processing during 1984 to over 1,000. The Municipal System also provides participants handling their own comparison with the option of having their trade-for-trade settlements handled by clearing agents.

Richard D. McFarland, Chairman of the Board and Chief Executive Officer, Inter-Regional Financial Group, Inc., which is the parent company of Dain Bosworth Incorporated and Rauscher Pierce Refsnes, Inc.

In a step that expands the efficiencies of NSCC's services for the first time to financial organizations outside the United States, NSCC and The Canadian Depository for Securities Limited established a trade clearance link in October 1984. By participating in NSCC, CDS now provides its broker, dealer and bank constituents with new settlement capabilities, both for orders placed in U.S. markets and in conjunction with new trading links between Canadian exchanges and U.S. marketplaces. The new relationship virtually eliminates the necessity for cumbersome double-accounting steps and physical delivery of certificates that have often complicated the settlement of trades executed in the U.S. markets on behalf of Canadian firms.

### NSCC's Board of

Directors, including 13 senior executives from participating brokers, dealers and dealer-banks, as well as three marketplace representatives, has always played an important part in determining the direction of NSCC's services. This ongoing dialogue with the industry has led to many new services and enhancements to existing procedures. As participation has increased and the definition of NSCC participation has broadened, the industry mix represented on the Board has also widened.

NSCC continues to encourage participant feedback on the development of new services and enhancements. One way that NSCC keeps in touch with the needs of its participants is through industry committees in which management actively participates. NSCC management is currently involved in industry task forces for customer account transfers, international operations, and same-day funds settlement. In addition, NSCC has a participant advisory committee in order to ensure feedback on municipal bond services which are being developed and enhanced. Feedback is also solicited in regular meetings with individual participants.

During 1984, NSCC also analyzed and began to help solve the municipal bond industry's remaining comparison, clearance and settlement problems. These problems were pinpointed through a review of each municipal participant's comparison results and interviews with participants. Based on the findings of the study, clear recommendations to the municipal industry were coordinated between NSCC and the Municipal Securities Rulemaking Board.

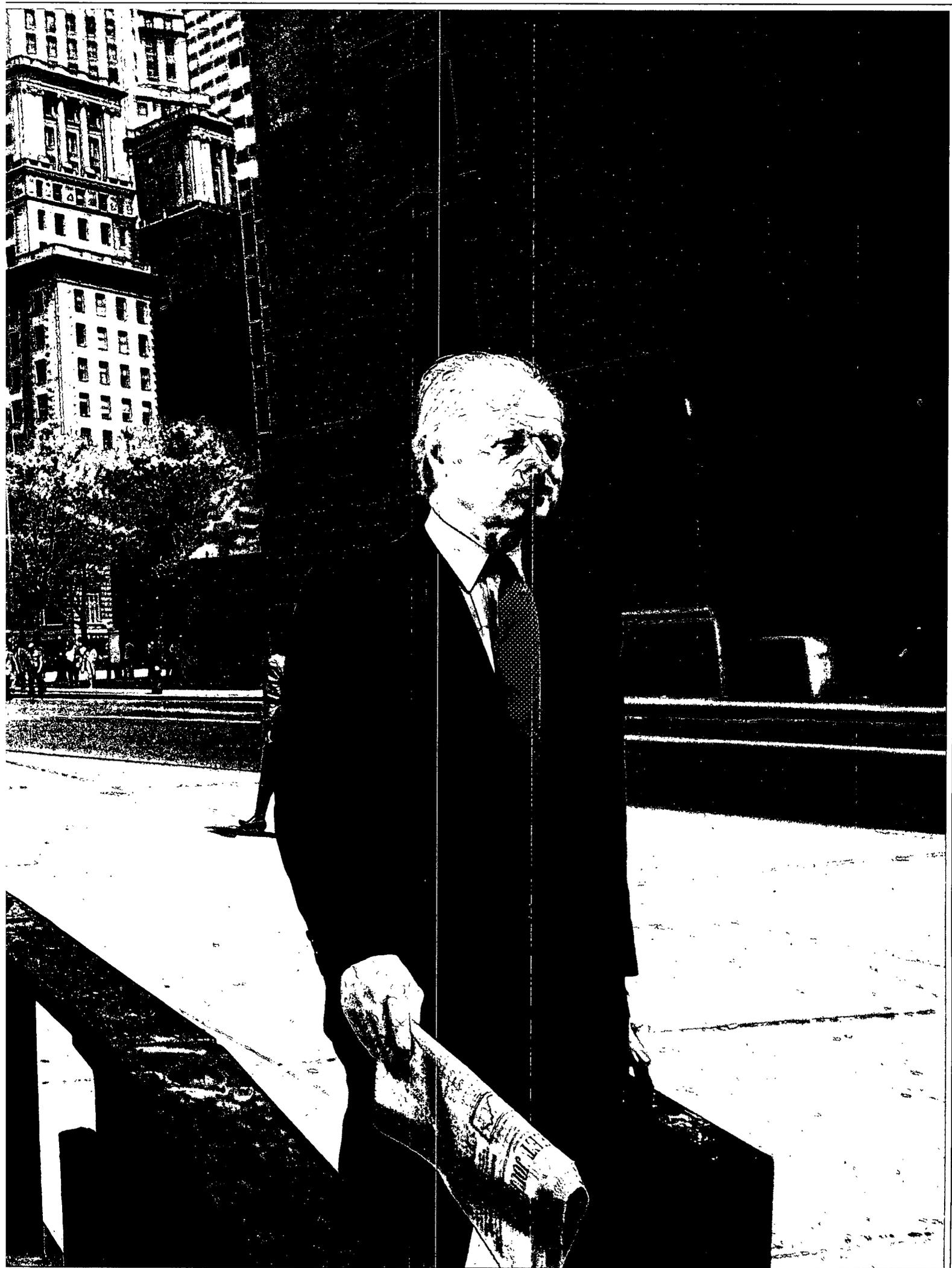
The complex relationship between NSCC and the financial services industry has resulted in positive and dynamic growth. NSCC is committed to augmenting and strengthening its industry role in 1985 and beyond.

Ronald S. Ritchie, Chairman of the Board and Chief Executive Officer, The Canadian Depository for Securities Limited.



*"CDS's new relationship with NSCC has greatly facilitated the clearance and settlement of transactions executed in U.S. marketplaces for Canadian brokers, dealers and banks. I believe it is the first of many forays for both organizations across international borders."*

Ronald S. Ritchie



**Balance Sheet**

December 31,	1984	1983
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 1,068,000	\$ 5,771,000
Temporary investments at cost (approximates market)	63,161,000	49,215,000
Accounts receivable, less allowance for doubtful accounts of \$700,000 and \$675,000 at December 31, 1984 and 1983	4,139,000	3,213,000
Settlement accounts receivable	18,702,000	10,471,000
Other current assets	133,000	257,000
Total current assets	87,203,000	68,927,000
Clearing Fund	160,008,000	154,565,000
Fixed assets, less accumulated depreciation of \$411,000 and \$306,000 at December 31, 1984 and 1983	1,577,000	551,000
Deposits and other noncurrent assets	2,791,000	727,000
Total assets	\$251,579,000	\$224,770,000
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 3,755,000	\$ 3,523,000
Regulatory fees payable	705,000	—
Settlement accounts payable	44,006,000	19,763,000
Accrued taxes and other expenses	1,313,000	1,305,000
Unclaimed dividends	111,000	196,000
Total current liabilities	49,890,000	24,787,000
<b>Clearing Fund:</b>		
Participants' cash deposits	37,781,000	42,018,000
Amounts due from participants on demand	160,008,000	154,565,000
	197,789,000	196,583,000
<b>Commitments and contingent liabilities</b> (See Notes)		
<b>Shareholders' Equity:</b>		
Common stock authorized, issued and outstanding, 30,000 shares of \$.50 par value	15,000	15,000
Capital in excess of par	885,000	885,000
Retained earnings	3,000,000	2,500,000
	3,900,000	3,400,000
Total liabilities and shareholders' equity	\$251,579,000	\$224,770,000

The accompanying Notes to Financial Statements are an integral part of this statement.

National Securities Clearing Corporation  
**Statement of Income and Retained Earnings**

For the year ended  
 December 31,

	1984	1983
Revenue from clearing services	\$43,986,000	\$44,320,000
Interest income	1,476,000	1,209,000
<b>Total revenues</b>	<b>45,462,000</b>	<b>45,529,000</b>
Expenses:		
Securities Industry Automation Corporation processing expenses	28,103,000	26,766,000
Other processing expenses	2,386,000	1,993,000
Regulatory fees	—	4,199,000
The Depository Trust Company fees	7,643,000	6,357,000
Employee compensation and related benefits	3,622,000	3,157,000
General and administrative	2,715,000	1,989,000
Professional fees	273,000	455,000
<b>Total expenses</b>	<b>44,742,000</b>	<b>44,916,000</b>
Income before income taxes	720,000	613,000
Provision for income taxes	220,000	113,000
Net income	500,000	500,000
Retained earnings, beginning of the year	2,500,000	2,000,000
<b>Retained earnings, end of the year</b>	<b>\$ 3,000,000</b>	<b>\$ 2,500,000</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Statement of Changes in Financial Position**

For the year ended

December 31,

	1984	1983
<b>Financial resources were provided by (used for):</b>		
Net income	\$ 500,000	\$ 500,000
Depreciation and amortization charges not affecting working capital	230,000	148,000
Working capital provided from operations	730,000	648,000
Clearing Fund cash deposits	(4,237,000)	9,773,000
Purchase of fixed assets	(1,373,000)	(256,000)
Disposal of fixed assets	117,000	—
Deposits and other	(2,064,000)	(207,000)
<b>Increase (decrease) in working capital</b>	<b>\$ (6,827,000)</b>	<b>\$ 9,958,000</b>
<b>Analysis of Changes in Working Capital</b>		
<b>Increase (decrease) in current assets:</b>		
Cash	\$ (4,703,000)	\$(26,638,000)
Temporary investments	13,946,000	3,009,000
Accounts receivable	926,000	88,000
Settlement accounts receivable	8,231,000	(1,276,000)
Other current assets	(124,000)	186,000
	18,276,000	(24,631,000)
<b>(Increase) decrease in current liabilities:</b>		
Accounts payable	(232,000)	7,794,000
Regulatory fees payable	(705,000)	484,000
Settlement accounts payable	(24,243,000)	26,576,000
Accrued taxes and other expenses	(8,000)	(371,000)
Unclaimed dividends	85,000	106,000
	(25,103,000)	34,589,000
<b>Increase (decrease) in working capital</b>	<b>\$ (6,827,000)</b>	<b>\$ 9,958,000</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**Note 1/Summary of Significant Accounting Policies:**

The accounting and reporting practices of National Securities Clearing Corporation (the Company) conform to generally accepted accounting principles. The significant policies are summarized as follows:

*(a) Retained earnings:*

The Company has retained earnings in order to establish a contingency fund of \$3,000,000 and does not plan to declare dividends. The Company determines the amount of earnings, if any, it wishes to retain in a given year and adjusts its billings to participants accordingly.

*(b) Temporary investments:*

Temporary investments consist of U.S. Treasury securities maturing in less than one year, and are carried at cost, adjusted for amortization of premiums and accretion of discounts. At December 31, 1984, \$23,859,000 of such investments were held in an account for the exclusive benefit of participants. The amount to be held in such account, where the Company's rules require, is determined daily in accordance with procedures established by the Company to facilitate participants' compliance with the customer segregation rules of the Securities and Exchange Commission.

*(c) Settlement accounts:*

Settlement accounts receivable and payable arise from temporary time lags in the cash settlement process between the Company and participants or other registered clearing agencies. The nature of the Company's business involves significant money transfers on a daily basis, certain of which are executed via Federal Funds and given effect in the financial statements on the basis of one-day earlier Clearing House Funds. In particular, Federal Funds transfers due from or to certain registered clearing organizations of \$159,890,000 and \$4,727,000, respectively, were recorded as of December 31, 1984 (\$44,433,000 and \$28,235,000 as of December 31, 1983) in accordance with such Company practice.

*(d) Revenue from clearing services:*

Revenue from clearing services is net of adjustments to participant invoices which reduce gross revenue to the approximate amount of costs in accordance with the Company's retained earnings policy. Since gross revenues exceeded costs, participant invoices were discounted \$2,639,000 and \$10,802,000 in 1984 and 1983, respectively.

*(e) Provision for income taxes:*

The difference between the Company's 30.6% effective tax rate for the year ended December 31, 1984 (18.4% for the year ended December 31, 1983) and the 46.0% statutory tax rate is primarily attributable to research credits and investment tax credits.

**Note 2/Organization and Operations:**

All of the Company's shares are owned equally by the New York Stock Exchange, Inc. (NYSE), American Stock Exchange, Inc. (Amex), and the National Association of Securities Dealers, Inc. (NASD). The Company is managed by its own staff and controlled by an independent user Board of Directors, which is responsible for its policies, operations, and financing. The Company's fee structure, which was approved by the Securities and Exchange Commission, is based upon the Company's cost of providing services to its participants.

**Note 3/Clearing Fund:**

The rules of the Company require each participant to deposit in the Clearing Fund an amount based on its settlement activity. The Fund is available to secure participant obligations to the Company and certain liabilities and losses of NSCC, should they occur. The Company's policy is to apply 25% and, in its discretion, a greater percentage of its then existing retained earnings, if such losses exceed a defaulting participant's Clearing Fund deposit. After appropriate notice to both its membership and the Securities and Exchange Commission, the Company may assess its membership in accordance with the Company's rules. An assessment for a loss arising from a guaranteed NSCC system is limited to those participants who utilize that guaranteed system. Under certain circumstances, a participant in a guaranteed system can limit its assessment for losses arising from the financial impairment of another member in such guaranteed system to the amount of Clearing Fund attributable or allocated to that system based on the limiting participant's overall settlement activity. Neither the Company nor its predecessors have ever subjected their memberships to such an assessment.

The Clearing Fund consists of cash deposits and amounts due from participants. This open indebtedness may be secured by either cash, bearer bonds issued or guaranteed by the U.S. Government, its states and their political subdivisions, or by Letters of Credit issued by authorized banks.

National Securities Clearing Corporation  
**Notes to Financial Statements**  
(continued)

The composition of the Clearing Fund is as follows:

December 31,	1984	1983
Calculated requirements based on settlement activity	\$187,435,000	\$186,231,000
Cash in excess of such requirements	10,354,000	10,352,000
Clearing Fund	197,789,000	196,583,000
Less:		
Participants' cash deposits, including cash in excess of such requirements	(37,781,000)	(42,018,000)
Amounts due from participants on demand	\$160,008,000	\$154,565,000
Secured by:		
Letters of Credit	\$144,410,000	\$139,195,000
Bearer bonds (at market value)	49,043,000	52,795,000
	\$193,453,000	\$191,990,000

Substantially all of the cash portion of the Clearing Fund is included in temporary investments at December 31, 1984 and 1983.

Title to the cash deposits and bearer bonds remains with the participant subject to the Company's contractual right to use them (and to present drafts under Letters of Credit deposited by participants) in accordance with the Company's rules.

**Note 4/Transactions with Related Parties:**

The NYSE, Amex and NASD provide regulatory services which include periodic examinations of the records and operations of participants, the monitoring and investigation of the financial and operating condition of participants and new applicants for membership, and notification to the Company of unusual market conditions which may affect NSCC and/or its membership. The agreement under which the Company was billed for these services was modified effective July 1, 1983 and, pursuant to such modification, participants are billed directly by these organizations, with NSCC collecting on their behalf. Amounts payable at December 31, 1984 and 1983 with respect to these transactions, and amounts billed to the Company by these organizations in 1983, are as follows:

	1984	1983	1983
	Payable	Billed	Payable
NYSE	\$594,000	\$2,649,000	\$ —
Amex	—	550,000	—
NASD	111,000	1,000,000	—
Total	\$705,000	\$4,199,000	\$ —

As described in Note 5, the Company has a facilities management agreement with Securities Industry Automation Corporation (SIAC), which is owned by the NYSE and Amex. The Company has a rental agreement for office space with SIAC. Billings under the rental agreement amounted to \$565,000 and \$289,000 in 1984 and 1983, respectively. The NYSE also owns a minority interest in The Depository Trust Company (DTC), whose facilities are used by the Company. Amounts unpaid at December 31, 1984 and 1983 to SIAC and DTC are as follows:

	1984	1983
SIAC	\$2,880,000	\$2,689,000
DTC	274,000	281,000

At December 31, 1984 and 1983, the Company had certain receivables (payables) resulting from the cash settlement process, as follows:

	1984	1983
NYSE	\$84,000	\$ 168,000
Amex	39,000	14,000
DTC	—	(4,324,000)

National Securities Clearing Corporation  
**Notes to Financial Statements**  
 (continued)

**Note 5/Facilities Management Agreement:**

Under the terms of an agreement, SIAC provides the necessary facilities, personnel and services in support of the Company's clearing services and related functions. SIAC's charge is based on its direct, computer and general overhead costs arising from providing such services. The agreement has no expiration date and continues in effect unless notice of cancellation is given by either party. Under the terms of this agreement the Company was liable, in the event of cancellation, for computer equipment leases in the amount of \$4,312,000 at December 31, 1984. This amount decreases to zero in 1989.

**Note 6/Contingencies:**

The Continuous Net Settlement (CNS) system interposes the Company between participants in each security position on a daily basis. The total long and short security positions are in balance each day. The failure of participants to deliver securities to the Company, and the corresponding failure of the Company to redeliver such securities results in unsettled transactions. Unsettled transactions are marked to the market and credited or debited to participants involved.

At December 31, 1984, unsettled positions due the Company approximated \$587,000,000 (\$2,533,000,000 at December 31, 1983), and the amounts due from the Company approximated \$354,000,000 (\$2,399,000,000 at December 31, 1983) for unsettled positions and \$233,000,000 (\$134,000,000 at December 31, 1983) for securities borrowed through the Company's Stock Borrow Program. The more significant unsettled positions at December 31, 1983, were primarily attributable to when-issued trading arising from the American Telephone & Telegraph divestiture at that time.

**Note 7/Pension Plan:**

The Company has a trustee noncontributory pension plan covering all employees who have attained age 25 and have six months of service. The total pension expense, which includes amortization of past service cost over 10 years, was \$148,000 and \$153,000 for 1984 and 1983, respectively, calculated under the entry age normal actuarial cost method. The Company makes annual contributions to the plan equal to the amount accrued for pension expense. Benefits and net assets for the pension plan are presented below:

January 1,	1984	1983
Actuarial present value of accumulated plan benefits:		
Vested	\$558,000	\$492,000
Nonvested	55,000	85,000
	\$613,000	\$577,000
Net assets available for plan benefits	\$745,000	\$546,000

During the plan year beginning January 1, 1984, certain actuarial assumptions and plan provisions were modified, including an increase in the rate of return used in determining the actuarial present value of accumulated plan benefits to 7.5% for 1984 from 6.5% for 1983. The effect of these changes on pension expense and the accumulated plan benefits information is not significant.

**Report of Independent Accountants**



153 EAST 53RD STREET  
 NEW YORK, NEW YORK 10022

To the Board of Directors and Shareholders of  
 National Securities Clearing Corporation

February 20, 1985

In our opinion, the accompanying balance sheet and the related statements of income and retained earnings and of changes in financial position present fairly the financial position of National Securities Clearing Corporation at December 31, 1984 and 1983, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

*Price Waterhouse*

*NSCC Board of Directors*





In keeping with NSCC's receptiveness to open communication with and guidance from the industry, the executives that comprise NSCC's Board of Directors represent the broad diversity of the financial services industry.

Beyond the variety of businesses represented, Board members' professional expertise spans such areas as executive, financial and operational management. As representatives of participating organizations, they bring a breadth of knowledge, perspective and experience to the Board's deliberations and decisions.

Through short-term and long-range planning, the Board establishes corporate objectives and monitors NSCC's progress toward achieving goals. The Board's guidance works to: minimize the industry's clearance and settlement risks; ensure NSCC's support, where appropriate, of the National Market System; and guarantee that NSCC provide services on a cost-justified, efficient and equitable basis. In conjunction with NSCC's senior management, the Board effectively directs NSCC's work to enhance and develop services for financial instruments, their marketplaces, and NSCC participants, as well as to direct interaction with other clearing corporations and the Securities and Exchange Commission.

All of the 13 elected members, including Chairman J. Ronald Morgan, are executives of participating brokers, dealers and banks. The other members of the Board are NSCC's President, David M. Kelly, and three shareholder directors, C. Richard Justice, Joseph F. Neil, Jr. and Stephen L. Williams, appointed by the NASD, NYSE and Amex, respectively. The NYSE appointed Samuel A. Alward, Executive Vice President, Finance and Administration, pictured on page 30, to succeed Mr. Neil after he retires from the NYSE and NSCC's Board in 1985.

The Board had, during 1984, six standing committees: Executive, Audit, Finance,

The NSCC Board of Directors: (left to right) *In front*, Donald D. Kittell, Executive Vice President and Chief Financial Officer, Dean Witter Reynolds Inc.; NSCC President David M. Kelly; NSCC Chairman J. Ronald Morgan, Chairman, Chief Executive Officer and Director, Thomson McKinnon Securities Inc.; W. Gresham O'Malley III, Senior Vice President, Secretary and Director, Janney Montgomery Scott Inc.; and Gilbert L. Pamplin, President and Chief Executive Officer, J.J.B. Hilliard, W.L. Lyons, Inc. *In back*, Bernard L. Madoff, Proprietor, Bernard L. Madoff; Gerard P. Lynch, Managing Director, Morgan Stanley & Co. Incorporated; Robert L. Woodberry, President and Director, Sutro & Co. Incorporated; Stephen L. Williams, Senior Vice President, American Stock Exchange, Inc.; Walter H. Cushman, Senior Vice President, The Bank of New York; Joseph F. Neil, Jr., Senior Vice President, Finance, New York Stock Exchange, Inc.; William J. Tierney, Jr., Managing Director, Salomon Brothers Inc.; Melvin B. Taub, Division Vice President, Securities Operations Division, Merrill Lynch, Pierce, Fenner & Smith Inc.; J. Kevin Kenny, President and Chief Executive Officer, J.J. Kenny Co., Inc.; William A. Rogers, Partner and Chief Operating Officer, Wayne Hummer & Co.; and C. Richard Justice, Executive Vice President, National Association of Securities Dealers, Inc.

Marketing, Membership and Operations. In early 1985, the Audit and Finance committees were combined.

The Executive Committee ensures adherence to Board policy and progress toward corporate goals. The Finance and Audit Committee is responsible for NSCC's financial integrity, including: overseeing NSCC's internal accounting and auditing procedures; appointing the independent accountants and reviewing with them the planned scope of their examination and results thereof; and monitoring operating and capital budgets. The Marketing Committee is responsible for the direction and review of NSCC's overall business development and customer service program. The Membership Committee oversees NSCC's programs which monitor participants' financial and operational accountability and compliance with NSCC's rules. The Operations Committee reviews operations and guides system planning efforts.

During early 1985, these Board Committees were as follows:

**Executive Committee:** J. Ronald Morgan, Chairman; Walter H. Cushman, David M. Kelly, Donald D. Kittell, Gerard P. Lynch, W. Gresham O'Malley III, Gilbert L. Pamplin.

**Finance and Audit Committee:** Gilbert L. Pamplin, Chairman; Walter H. Cushman, Vice Chairman; Donald D. Kittell, Gerard P. Lynch, William A. Rogers, Melvin B. Taub and Robert L. Woodberry.

**Marketing Committee:** W. Gresham O'Malley III, Chairman; J. Kevin Kenny, William A. Rogers and Robert L. Woodberry.

1985 Director-Elect Bruce T. Muddell, President and Chief Executive Officer, Chemical Bank (Delaware).



1985 Director-Elect Raymond J. Kalinowski, Vice Chairman, A. G. Edwards & Sons, Inc.

**Membership Committee:** Donald D. Kittell, Chairman; Walter H. Cushman, J. Kevin Kenny, Bernard L. Madoff and William J. Tierney, Jr.

**Operations Committee:** Gerard P. Lynch, Chairman; Bernard L. Madoff, W. Gresham O'Malley III, Melvin B. Taub and William J. Tierney, Jr.

Appointments to all of the Board Committees are made on an annual basis, with Committee chairmen and members elected by a vote of the full Board of Directors.

In late 1984, NSCC's annual electoral process was set in motion with an official invitation to participants to propose names of prospective directors and new members of the Nominating Committee. The Nominating Committee, each year, is a group selected from the executive ranks of participant firms.

After reviewing suggestions submitted by participants, the Nominating Committee proposed four candidates for three-year terms of office. They include Melvin B. Taub, who joined the board in early 1985, succeeding Leonard V. Haynes, formerly Executive Vice President, Shearson Lehman/American Express Inc., who had resigned when he transferred to a new post within American Express. Walter H. Cushman and Gerard P. Lynch, whose first three-year terms were due to expire in May 1985, were nominated for an additional one-year term. As pictured here and on page 30,

NSCC Senior Management: (clockwise from left) John F. Elberfeld, Senior Vice President, Finance; Robert A. Schultz, Senior Vice President, Planning and Operations; John L. Kinnaman, Senior Vice President, Marketing, Corporate Communications and Administration; David M. Kelly, President; and Robert J. Woldow, Senior Vice President, Membership and Compliance, and General Counsel.





1985 Director-Elect Samuel A. Alward. Executive Vice President, Finance and Administration, New York Stock Exchange, Inc.

three other senior executives were nominated for three-year terms:

Raymond J. Kalinowski  
Vice Chairman  
A.G. Edwards & Sons, Inc.

Herbert I. Levitt  
General Partner  
Spear, Leeds & Kellogg

Bruce T. Muddell  
President and Chief Executive Officer  
Chemical Bank (Delaware)

After all NSCC participants were notified of the Committee's recommendations, and in the absence of participant petitions to nominate any additional candidates, these nominees were to become Participant Directors of NSCC following the Board's Annual Meeting in May 1985, succeeding two retiring Directors. They were Chairman of the Board J. Ronald Morgan and W. Gresham O'Malley III. One of the Directors-elect is to succeed Peter D.S. Dale, formerly Senior Vice President, Morgan Guaranty Trust Company of New York, who resigned from the Board in early 1985 when he assumed a post in Europe.

The members of the 1984-1985 Nominating Committee were as follows:

Alan F. Blanchard  
Vice President and Director  
Goldman Sachs Money Markets Inc.

William J. Fields  
Executive Vice President  
Wheat, First Securities, Inc.

Edgar D. Jannotta  
Managing Partner  
William Blair & Company

Richard H. Jenrette  
Chairman of the Board  
Donaldson, Lufkin & Jenrette, Inc.

Donald E. Nickelson  
President, Consumer Markets  
PaineWebber Incorporated

Daniel P. Tully  
Executive Vice President  
Merrill Lynch & Co., Inc.

George A. Vonder Linden  
President and Chief Executive Officer  
Smith Barney, Harris Upham & Co. Incorporated

The Nominating Committee also proposed four senior executives for two-year terms on the 1985-1986 Nominating Committee:

Norman M. Epstein  
Executive Vice President/Managing Director  
E.F. Hutton & Company, Inc.

James A. Jacobson  
Partner  
Benjamin Jacobson & Sons

Jeffrey B. Lane  
Vice Chairman and Chief Operating Officer  
Shearson Lehman Brothers Inc.

John A. Wing  
President and Chief Executive Officer  
The Chicago Corporation

They will serve on the 1985-86 Committee with returning Committee members Fields, Tully and Vonder Linden.

1985 Director-Elect Herbert I. Levitt, General Partner, Spear, Leeds & Kellogg.



**Participating Organizations**  
(as of December 31, 1984)

ABD Securities Corporation  
 Adams, Harkness & Hill, Inc.  
 Adler, Coleman & Co.  
 Advest, Inc.  
 Agora Securities, Inc.  
 Fred Alger & Company Incorporated  
 Allen & Company Incorporated  
 Allen Securities Corp.  
 Alpine Associates  
 Amalgamated Bank of New York  
 American Investment Group  
 American Securities Corporation  
 American Stock Exchange Clearing Corporation  
 Arnhold and S. Bleichroeder, Inc.  
 Asiel & Co.  
 Atlantic Capital Corporation  
 BHF Securities Corporation  
 B & S Financial Services Inc.  
 Julius Baer Securities Inc.  
 Robert W. Baird & Co., Incorporated  
 Baird, Patrick & Co., Inc.  
 Bank of Montreal, New York Branch  
 The Bank of New York  
 The Bank of New York—Brokers Clearance  
 Bankers Trust—Clearance  
 Bankers Trust Company  
 Adams, McEntee & Company  
 Bossier Bank & Trust Company  
 Capital Bank, N.A.  
 Citizens Trust Company  
 Langdon P. Cook & Co.  
 Incorporated  
 First Wisconsin National Bank of Milwaukee  
 Fleet National Bank  
 Liss, Tenner & Goldberg, Inc.  
 Midlantic National Bank  
 National City Bank, Cleveland  
 D.A. Pincus & Co., Inc.  
 Refco Municipal Securities Co.  
 Sterling, Grace Municipal Securities Corporation  
 Strahsmier Securities Co.  
 Tollner & Bean, Inc.  
 United Virginia Bank  
 Bankers Trust/Investment Services  
 Bankers Trust—J.J. Kenny Co., Inc.  
 Barclays Bank International Limited  
 Barrett & Company  
 Bear, Stearns & Co.  
 Beare Brothers & Co., Inc.  
 Beauchamp & Co.  
 Bellamah, Neuhauser & Barrett, Inc.  
 Benton & Company  
 Sanford C. Bernstein & Co., Inc.  
 William Blair & Company  
 Blinder, Robinson & Co., Inc.  
 Boettcher & Company, Inc.  
 Boston Stock Exchange Clearing Corp.  
 Boddell Overcash Anderson & Co., Inc.  
 Buell Securities Corp.  
 Cantella & Co. (Retail)  
 Robert C. Carr & Co., Inc.  
 Clayton, Polleys & Co.  
 Cummings & Company  
 Diamant Investment Corp.  
 Gage-Wiley & Co., Inc.  
 Gordon & Co.  
 Instant Funds Incorporated  
 Investors Discount Corporation  
 Kimball & Cross  
 Linsco Corp.  
 Merrimack Valley Investment Inc.  
 Offring & Co., Inc.  
 H.M. Payson & Co.  
 Wm. H. Rybeck & Co., Inc.  
 Spencer, Swain & Co., Inc.  
 Trusteed Funds, Inc.  
 Ultrafin International Corporation  
 Arthur W. Wood Company  
 Boston Stock Exchange Specialist Account  
 ABD Securities Corp.  
 Steven J. Agoston  
 Andrew Company  
 John N. Aufiero  
 Blodgett & Co., Inc.  
 Cantella & Co.  
 Dietrich & Company  
 Feigelman Securities  
 Gus N. Ganoudis  
 Garden State Securities, Inc.  
 Gowell Securities Corp.  
 H.T.N. Securities  
 Hawthorne Securities Corporation  
 Jorgenson Securities, Inc.  
 K. and S., Inc.  
 King, Keller & Co.  
 May & Gannon, Inc.  
 Mermelstein & Co.  
 Gerald P. Michaud  
 John Murphy & Associates  
 Olwell, McCallion, Inc.  
 J. C. Bradford & Co.  
 Bradford Trust Company  
 American Municipal Securities Inc.  
 Bankers Trust (Des Moines, IA)  
 Bernardi Securities, Inc.  
 Brean Murray, Foster Securities Inc.  
 Bryan, Worley & Co., Inc.  
 Buetti, Cannon & Company, Incorporated  
 Capitol Municipal Securities, Inc.  
 Central Bank of the South  
 Columbian Securities, Inc.  
 Commerce Union Bank, Nashville  
 Crews & Associates, Inc.  
 Diamant Investment Corp.  
 Ladd, Dinkins & Company  
 Dorsey & Company Incorporated  
 Dupree & Company, Inc.  
 M. J. Dwyer Securities  
 R. W. Ellwood & Co., Inc.  
 Essex Company  
 Essex Partners Ltd.  
 FAIC Securities, Inc.  
 First Huntington Securities Corp.  
 First Miami Securities  
 First Monmouth Securities Corp.  
 First National Bank (Covington, LA)  
 A. F. Green & Co., Inc.  
 Greer Moreland Fosdick Shepherd Inc.  
 Hattier, Sanford & Reynoir  
 Horizon Securities, Inc.  
 John F. Houllahan & Co., Inc.  
 Investment Securities of Oklahoma, Inc.  
 Isaak Bond Investments, Inc.  
 Jefferson Guaranty Bank  
 Lex Jolley & Co., Inc.  
 Juran & Moody, Inc.  
 Kenny & Branisel Municipals Inc.  
 W. L. Knox & Company  
 Lasater & Company  
 David Lerner & Associates, Inc.  
 Maryland National Bank  
 Matthews & Wright, Inc.  
 Meuse, Rinker & Chapman Incorporated  
 NCNB National Bank of North Carolina—a/c Cape Securities  
 National Bank of Commerce  
 The Philadelphia National Bank  
 Plansmith Securities, Inc.  
 Powell & Satterfield, Inc.  
 Republicbank Dallas N.A.  
 Security National Bank of Kansas City  
 Sills, Zoppa & Associates, Inc.  
 Tennessee Capital Corp.  
 Texas Independent Bank  
 Texas State Securities, Inc.  
 Thornton, Farish & Gauntt Inc.  
 Transgulf Municipal Securities Corp.  
 Underwood, Neuhaus & Co.  
 Union Planters National Bank  
 Vierling, Devaney & Maguire, Inc.  
 Zahner & Company  
 B. C. Ziegler & Company  
 A. W. Zucker & Co.  
 Branch, Cabell & Co.  
 H. A. Brandt & Associates, Inc.  
 Broadcort Capital Corporation  
 Brokerage Clearance Services Inc.  
 BrokersTrust Clearing Corp.  
 Brounoff, Claire & Co., Inc.  
 Brown Brothers Harriman & Co.  
 Brown & Company Securities Corporation  
 Brown, Lisle/Cummings, Inc.  
 Alex. Brown & Sons, Inc.  
 P. R. Burke & Co.  
 Burns Fry & Timmins Inc.  
 Burns, Pauli & Co., Inc.  
 CBT Municipal Dealer  
 Cable, Howse & Ragen  
 Canadian Depository for Securities Limited  
 Bache Securities Inc.  
 Burns Fry Limited  
 F. H. Deacon, Hodgson Inc.  
 Dominion Securities Pitfield Limited  
 Levesque, Beaubien Inc.  
 Pemberton Houston Willoughby Incorporated  
 Richardson Greenshields of Canada, Limited  
 Canadian Imperial Bank of Commerce  
 S. B. Cantor & Co., Inc.  
 Cantor, Fitzgerald & Co., Inc.  
 Capital Shares, Inc.  
 Carolina Securities Corporation  
 Carr Securities Corp.  
 Carr & Thompson, Inc.  
 Chase Dealer & Investment  
 The Chase Manhattan Bank, N.A.  
 Chase/Syndicate  
 Chemical Bank  
 Chemical Bank—Municipal Dealer  
 The Chicago Corporation  
 B. C. Christopher Securities Co.  
 The Cincinnati Stock Exchange  
 Citibank Dealer—Municipal Operations  
 Citibank/IFI Custody  
 Citibank, N.A.  
 Citibank—Private Banking Division  
 Conklin, Cahill & Co.  
 The Connecticut Bank and Trust Company  
 Cosentino & DeFelice, Inc.  
 Coughlin & Co., Inc.  
 Cowen & Co.  
 Craig-Hallum, Inc.  
 Craigie Incorporated  
 DLJ Fixed-Income  
 Dain Bosworth Incorporated  
 Daiwa Securities America Inc.  
 Davenport & Co. of Virginia, Inc.  
 Shelby Cullom Davis & Co.  
 Dean Witter Reynolds Inc.  
 deCordova, Cooper & Co.  
 Deltec Securities Corporation  
 Denton & Co., Inc.  
 The Depository Trust Company  
 Citizens Commercial & Savings Bank (Municipal Dealer)  
 First National Bank of Cincinnati  
 First National Bank of Louisville  
 Manufacturers National Bank of Detroit—Municipal Bond Dept.  
 Wachovia Bank & Trust—Bond Department  
 Dillon, Read & Co. Inc.

Doft & Co., Inc.  
 Dominick Investor Services Corp.  
 Dominion Securities Pitfield Inc.  
 Donald & Co. Securities, Inc.  
 Donaldson, Lufkin & Jenrette  
 Securities Corporation  
 Drexel Burnham Lambert  
 Incorporated  
 E. I. Loan Services  
 Easton & Co.  
 F. Eberstadt & Co., Inc.  
 A. G. Edwards & Sons, Inc.  
 Einhorn & Co.  
 Engler & Budd Company  
 Eppler, Guerin & Turner, Inc.  
 Equity Securities Trading Co., Inc.  
 Ernst & Company  
 EuroPartners Securities Corporation  
 Evans & Co., Incorporated  
 Exchange Services, Inc.  
 Execution Services Incorporated  
 Fagenson & Company, Inc.  
 Fagenson & Company, Inc.—Retail  
 Fahnestock & Co.  
 Fechter, Detwiler & Co., Inc.  
 Fernandez, Bartsch & Mirra  
 Ferris & Company, Incorporated  
 Financial America Securities, Inc.  
 Financial Clearing & Services  
 Corporation  
 First Albany Corporation  
 First Birmingham Securities  
 Corporation  
 The First Boston Corporation  
 First Florida Securities, Inc.  
 First Jersey National Bank  
 First Jersey Securities, Inc.  
 First Manhattan Co.  
 First of Michigan Corporation  
 First Options of Chicago, Inc.  
 First Southwest Company  
 Fossett Corporation  
 Walter N. Frank & Co.  
 Walter N. Frank & Co. & Travers,  
 Dear & Fernandez  
 Wm. V. Frankel & Co., Inc.  
 Freehling & Co.  
 Freeman Securities Company, Inc.  
 Freeman Welwood & Co., Inc.  
 French American Banking Corp.  
 Albert Fried & Company  
 J. W. Gant & Associates  
 Gintel & Co.  
 Goldberg Securities  
 Goldman, Sachs & Co.  
 Gowell Securities Corporation  
 Gradison & Company Incorporated  
 Greenfield Partners  
 Gruntal & Co.  
 Oscar Gruss & Son Incorporated  
 Haas Securities Corporation  
 Hanifen, Imhoff Inc.  
 J. F. Hartfield & Co., Inc.  
 The Heitner Corporation  
 Henderson Brothers, Inc.  
 Herzfeld & Stern Inc.  
 Herzog, Heine, Geduld, Inc.  
 Hill, Thompson, Magid & Co., Inc.  
 J. J. B. Hilliard, W. L. Lyons, Inc.  
 Hirshon, Roth & Co.  
 Howard, Weil, Labouisse, Friedrichs  
 Incorporated  
 Wayne Hummer & Co.  
 E. F. Hutton & Company Inc.  
 Icahn & Co., Inc.  
 The Illinois Company Incorporated  
 Ingalls & Snyder  
 Interstate Securities Corporation  
 Irving Trust Company  
 The First National Bank in  
 Albuquerque  
 Mitsui Manufacturers Bank  
 The Rainier Bancorporation  
 United Bank of Arizona

Irving Trust/Investment/Dealer  
 JMS Execution Services  
 Benjamin Jacobson & Sons  
 Janney Montgomery Scott Inc.  
 Jefferies & Co., Inc.  
 Jesup & Lamont Clearing Corp.  
 Johnson, Lane, Space, Smith  
 & Co., Inc.  
 Johnston, Lemon & Co. Incorporated  
 Edward D. Jones & Co.  
 Josephthal & Co. Incorporated  
 Kalb, Voorhis & Co.  
 Kall & Co., Inc.  
 Kaufmann, Alsberg & Co., Inc.  
 Kellner, DiLeo & Co.  
 J. J. Kenny Co., Inc.  
 Kidder, Peabody & Co. Incorporated  
 C. L. King & Associates, Inc.  
 Koonce Securities Inc.  
 Henry Krieger & Co.  
 LaBranche & Co.  
 Lafer Amster & Co.  
 Laidlaw Ansbacher, Inc.  
 Lashco, Inc.  
 Lasker, Stone & Stern  
 Cyrus J. Lawrence Incorporated  
 Lawrence, O'Donnell & Co.  
 Lazard Freres & Co.  
 Legg Mason Masten Inc.  
 B. J. Leonard & Company, Inc.  
 Lewco Securities Corp.  
 S. B. Lewis & Company  
 MKI Securities Corp.  
 MN Services  
 M. S. Securities Services Inc.  
 MSC Loan Group  
 McCourtney-Breckenridge  
 & Company  
 McDonald & Company Securities, Inc.  
 McLeod Young Weir Incorporated  
 McMahan, Brafman, Morgan & Co.  
 Mabon, Nugent & Co.  
 Bernard L. Madoff  
 Manufacturers and Traders  
 Trust Company  
 Manufacturers Correspondent  
 Clearing Services  
 Manufacturers Hanover Trust  
 Company  
 Alamo National Bank  
 American Fletcher National Bank  
 The Arizona Bank  
 Banco Popular de Puerto Rico  
 BancOhio National Bank  
 Bank of Virginia  
 Bankers Trust of South Carolina  
 Boatman's National Bank  
 of St. Louis  
 Central Fidelity Bank—Investments  
 Central Fidelity Bank  
 (Lynchburg, VA)  
 Central Fidelity Bank  
 Corpus Christi National Bank  
 Crocker National Bank  
 First American National Bank  
 First National Bank of South  
 Carolina  
 First Union National Bank  
 Landmark First National Bank  
 LaSalle National Bank  
 Mellon Bank, N.A.  
 NCB National Bank of North  
 Carolina  
 Old Stone Corporation  
 Pittsburgh National Bank  
 South Carolina National Bank  
 Southeast Bank, N.A.  
 Southtrust Bank of Alabama, N.A.  
 Sovran, N. A.  
 Unibanc Trust  
 United Bank and Trust Company  
 Manufacturers Hanover  
 Trust Company—  
 Municipal Dealer Operations  
 Marcus & Company  
 Marcus Schloss & Co., Inc.  
 Marine Midland Bank, N.A.—Capital  
 Markets Clearance

Marine Midland Bank—New York  
 First National Bank of Toms  
 River, N.J.  
 Second National Bank of Saginaw  
 Carl Marks & Co., Inc.  
 Mayer & Schweitzer, Inc.  
 M. J. Meehan & Co.  
 Mericka & Co., Inc.  
 Merrill Lynch, Pierce,  
 Fenner & Smith Inc.  
 Mesriow & Company, Incorporated  
 Metropolitan Securities  
 Midland Doherty Inc.  
 Midwest Clearing Corporation  
 Bartlett & Co.  
 Alan Bush Brokerage Company  
 Equitable Securities Corporation  
 Heartland Securities  
 Howe, Barnes & Johnson, Inc.  
 The Milwaukee Company  
 Underwood, Neuhaus & Co., Inc.  
 Montgomery Securities  
 Moore & Schley, Cameron & Co.  
 Morgan Guaranty Trust Company  
 of New York  
 Morgan, Keegan & Company, Inc.  
 Morgan, Olmstead, Kennedy  
 & Gardner Incorporated  
 Morgan Stanley & Co. Incorporated  
 Muller and Company, Inc.  
 Murphey, Marseilles & Smith  
 Murphy & Durieu  
 NASD Market Services, Inc.  
 National Financial Services  
 Corporation  
 National Westminster Bank USA  
 Neuberger & Berman  
 New Japan Securities  
 International, Inc.  
 Newhard, Cook & Co. Incorporated  
 J. F. Nick & Co.  
 The Nikko Securities Co.  
 International, Inc.  
 Nippon Kangyo Kakumaru  
 International, Inc.  
 Nomura Securities International, Inc.  
 Norbay Securities, Inc.  
 Norton & Co., Inc.  
 John Nuveen & Co. Incorporated  
 O'Connor & Associates  
 O'Connor Securities  
 Offerman & Co., Inc.  
 Olde & Co., Incorporated  
 Oppenheimer & Co., Inc.  
 Outwater & Wells, Inc.  
 Pacific Brokerage Services  
 PaineWebber Incorporated  
 S. C. Parker & Co., Inc.  
 Pasternack Securities  
 Carl H. Pforzheimer & Co.  
 Phelan, Silver, Vesce, Barry & Co.  
 Incorporated  
 Piper, Jaffray & Hopwood  
 Incorporated  
 Pitfield, Mackay & Co., Inc.  
 E. J. Pittock & Co., Inc.  
 Prescott, Ball & Turben, Inc.  
 Prudential-Bache Securities Inc.  
 Purcell, Graham & Co., Inc.  
 Q&R Clearing Corporation  
 E. J. Quinn & Co., Inc.  
 T. J. Raney & Sons, Inc.  
 Rauscher Pierce Refsnes, Inc.  
 Raymond, James & Associates, Inc.  
 W. H. Reaves & Co., Inc.  
 Regional Clearing Corp.  
 Reich & Co. Inc.  
 Richardson Greenshields  
 Securities Inc.  
 M. Rimson & Co., Inc.  
 Riviere Securities Corporation  
 Robb, Peck, McCooey Clearing  
 Corporation

Robertson Colman & Stephens  
 Rodman & Renshaw, Inc.  
 Roney & Co.  
 Rose & Company Investment  
 Brokers, Inc.  
 L.F. Rothschild, Unterberg, Towbin  
 Roulston Research Corp.  
 R. Rowland & Co., Incorporated  
 Ryan, Beck & Co.  
 SPS/Brokers Division of Bradford  
 Trust Company  
 SPS Clearing Division of Bradford  
 Trust Company  
 S. S. Corporate Group  
 Sage, Ruddy & Co., Inc.  
 Salomon Brothers Inc.  
 M. A. Schapiro & Co., Inc.  
 Scherck, Stein & Franc, Inc.  
 J. Henry Schroder Bank & Trust  
 Company  
 Charles Schwab & Co., Inc.  
 Scott & Stringfellow, Inc.  
 Seasongood & Mayer  
 Securities Clearing of Colorado,  
 Inc. (Doing Business as:  
 SECO Securities, Inc.)  
 Securities Settlement Corporation  
 Security Pacific Broker Services  
 Security Pacific Clearing  
 & Services Corp.  
 Bancroft, O'Connor, Chilton  
 & Lavell, Inc.  
 Belvedere Securities  
 Berghoff, Marsh & Company  
 A. F. Best Securities, Inc.  
 Brittenum & Associates, Inc.  
 Thomas Bryan & Associates  
 Carl & Company Incorporated  
 Carolan & Co., Inc.  
 Carty & Company, Inc.  
 William G. Ceas & Company  
 Channer Newman Securities  
 Company  
 Croake, Roberts, Inc.  
 Cunningham & Schmerz & Co., Inc.  
 Dayton, Kahn, Heppe, Hancock & Co.  
 A. Webster Dougherty & Co., Inc.  
 Dougherty, Dawkins, Strand  
 & Yost, Inc.  
 First Eastern Bank, N.A.  
 First National Bank of  
 Springfield, Ill.  
 First St. Louis Securities, Inc.  
 First Tennessee Bank  
 Fischer, Johnson, Allen  
 & Burke, Inc.  
 Flagship Securities, Inc.  
 Gibraltar Securities Co.  
 Griffin, Kubik, Stephens  
 & Thompson, Inc.  
 J. B. Hanauer & Co.  
 Hefren-Tillotson, Inc.  
 Henry/Kearns Municipals, Inc.  
 Leedy, Wheeler & Alleman  
 Incorporated  
 M. G. Lewis & Co., Inc.  
 J. J. Lowry & Co.  
 Marcus, Stowell & Beye, Inc.  
 Midland Bank & Trust Company  
 Mid-State Securities Corp.  
 Arch W. Roberts & Co.  
 Russell, Rea & Zappala, Inc.  
 Sauerman Securities, Inc.  
 Scheetz, Smith & Co.  
 R. Seelaus & Co., Inc.  
 Southeastern Municipal  
 Bonds, Inc.  
 Swink & Company, Inc.  
 Townes & Co., Inc.  
 United Financial Services Corp.  
 Vining-Sparks Securities, Inc.  
 Ziegler Securities, Inc.  
 Security Pacific Loan Group  
 Security Pacific Retail Services  
 Seemala Corporation  
 Seidler Amdec Securities Inc.  
 Seligman Securities, Inc.

H. B. Shaine & Co., Inc.  
 Shatkin Investment Corp.  
 Shatkin-Lee Clearance  
 Shatkin-Lee Securities Co.  
 Shearson Lehman/American  
 Express Inc.  
 Sheppards & Chase (Overseas)  
 Carl P. Sherr & Company  
 I. M. Simon & Company, Inc.  
 Smith Barney, Harris Upham & Co.  
 Incorporated  
 E. H. Smith, Jacobs & Co.  
 Smith, Moore & Co.  
 Southwest Securities Incorporated  
 Spear, Leeds & Kellogg  
 State Street Boston Securities  
 Services Corp.  
 R. J. Steichen & Co.  
 Stern & Kennedy  
 Sterne, Agee & Leach, Inc.  
 Stifel, Nicolaus & Company  
 Incorporated  
 Stillman, Maynard & Co.  
 Stock Clearing Corporation  
 Stock Clearing Corporation of  
 Philadelphia  
 Butcher & Singer Inc.  
 StockCross, Inc.  
 Stokes, Hoyt & Co.  
 J. Streicher & Co.  
 The Stuart-James Company, Inc.  
 Sutro & Co. Incorporated  
 Swiss American Securities, Inc.  
 Swiss Bank Corporation International  
 Securities Inc.  
 Thomson McKinnon Securities Inc.  
 A. B. Tompane & Co.  
 The Toronto-Dominion Bank  
 Transaction Services  
 Transatlantic Securities Company  
 Tucker, Anthony & R. L. Day, Inc.  
 Tweedy Browne Clearing Corporation  
 United States Trust Company of  
 New York  
 Coogan, Gilbert & Company  
 Taylor Byrne Securities, Inc.  
 Universal Securities Corporation  
 Vail Securities Investment, Inc.  
 Van Kampen Merritt Inc.  
 Edward A. Viner & Co., Inc.  
 W&D Securities, Inc.  
 Wagner, Stott & Co.  
 Wall Street Clearing Company  
 Walsh, Greenwood & Co.  
 S. G. Warburg, Rowe & Pitman,  
 Akroyd Inc.  
 S. G. Warburg, Rowe & Pitman,  
 Akroyd Securities, Inc.  
 Weber, Hall, Sale & Associates, Inc.  
 Wechsler & Krumholz, Inc.  
 Wedbush, Noble, Cooke, Inc.  
 Weiss, Peck & Greer  
 H. G. Wellington & Co., Inc.  
 Wheat, First Securities, Inc.  
 Williams Securities Group, Inc.  
 Wilshire Associates  
 Wittow & Company, Inc.  
 Wolfe & Drizos Corporates, Inc.  
 Wood Gundy Corp.  
 Wreszin, Prosser, Romano & Co.  
 Yamachi International (America) Inc.  
 Zeller, Torykian & Co., Inc.  
 Ziegler Thrift Trading, Inc.

*For Municipal Comparison Only:*  
 Acker, Wolman Securities Corp.  
 Allied Bank of Texas  
 M. E. Allison & Co., Inc.  
 Allison-Williams Co.  
 American National Bank, Austin, TX  
 American Security Bank, N.A.  
 (Washington, DC)  
 AmSouth Bank, N.A.  
 P. V. Anderson, Inc.  
 Atlantic National Bank of Florida  
 A. E. Aub & Co.  
 James Baker & Company  
 Bank of America, BIRD  
 Dealer-Portfolio  
 Bank of California  
 Bank of New England, N.A.  
 Bank of Oklahoma, N.A.  
 Bank South, N.A. (Atlanta)  
 Bankers Trust Company  
 —Investment Dealer  
 Barnett Bank of Jacksonville, N.A.  
 Barr Brothers & Co., Inc.  
 BayBank Boston, N.A.  
 Beville, Bresler & Schulman, Inc.  
 Blank, Conger and Sena  
 Brislin & Woram  
 Burjess Allison Associates  
 K. R. Butler, Inc.  
 Cantor, Fitzgerald Municipal  
 Brokers, Inc.  
 Centerre Bank, N.A. St. Louis  
 Central National Bank  
 of Cleveland  
 Chapdelaine & Co.  
 The Citizens & Southern  
 National Bank—Dealer Account  
 City National Bank,  
 Beverly Hills, California  
 Collins & Associates Inc.  
 Colorado National Bank of Denver  
 Comerica Bank—Detroit  
 Commerce Bank of Kansas City, N.A.  
 B. J. Compton & Sons, Inc.  
 Connecticut National Bank  
 —Investment Dealer  
 Conners & Company  
 R. W. Corby & Company, Inc.  
 R. L. Crary & Co., Inc.  
 Cronin & Marcotte, Inc.  
 Cullen/Frost Bank—Dallas  
 Cusack, Light & Company, Inc.  
 Dahlke & Company, Inc.  
 Denver National Bank  
 —Investment Dept.  
 Deposit Guaranty National Bank,  
 Jackson, MS  
 Dolphin & Bradbury  
 Dominion Bank, N.A. (Roanoke, VA)  
 Douglas & Co. Municipals, Inc.  
 Harry Downs & Co., Inc.  
 Clifford Drake & Company, Inc.  
 Egan, Marrin & Rubano, Inc.  
 Ehrlich-Bober & Co., Inc.  
 El Paso National Bank—Investments  
 Emanuel & Company  
 European American Bank  
 & Trust Company  
 Faherty, Aliaga & Co.,  
 Incorporated  
 The Fidelity Bank (Philadelphia, PA)  
 The Fifth Third Bank  
 FinSer Investment Company  
 First Alabama Bancshares, Inc.  
 First Charlotte Corporation  
 First City National Bank of  
 Houston—Safekeeping  
 First International Investment  
 Corporation  
 First Interregional Equity Corp.  
 First Interstate Bank of  
 Arizona, N.A.

First Interstate Bank of  
 California—Dealer Bond  
 Department  
 First Interstate Bank  
 of Denver, N.A.  
 First Interstate Bank  
 of Oregon, N.A.  
 First Interstate Bank  
 of Washington  
 The First National Bank  
 & Trust Co. of Tulsa  
 The First National Bank  
 of Boston—Dealer  
 First National Bank in Palm  
 Beach—Bond Department  
 First National Bank of Atlanta  
 First National Bank of Chicago  
 First National Bank of Commerce  
 (New Orleans, LA)  
 First National Bank of Jackson (MS)  
 First National Bank of Maryland  
 First National Bank of  
 Minneapolis—Bond Dealer  
 The First National Bank  
 of St. Paul  
 First National Bank & Trust Co.,  
 Oklahoma City  
 First of America Bank—Detroit, N.A.  
 First Southern Securities, Inc.  
 Fourth National Bank  
 & Trust Company (Wichita, KS)  
 Fox Reusch & Co., Inc.  
 The Frazer Lanier Company  
 Gabriele, Hueglin & Cashman, Inc.  
 Glickenhau & Co.  
 Halpert, Oberst and Company  
 Hammond, Peters & Smith, Inc.  
 Hand Investment Company, Inc.  
 Chester Harris & Co., Inc.  
 Hatcher & Co., Inc.  
 Henderson, Few & Co.  
 Hendrix, Mohr & Yardley, Inc.  
 Frank Henjes & Company, Inc.  
 Hill, Crawford & Lanford, Inc.  
 William R. Hough & Co.  
 The Huntington National Bank  
 (Columbus, OH)  
 Hutchinson, Shockey, Erley & Co.  
 Independent State Bank of Minnesota  
 Indiana National Bank  
 InterFirst Bank Dallas—Dealer  
 International Bank  
 Joe Jolly & Co., Inc.  
 Kaiser & Company  
 Kansas State Bank & Trust Company  
 (Wichita, KS)  
 Keenan & Clarey, Inc.  
 Kemper Sales Company  
 Kirchner, Moore & Company  
 Lebenthal & Co., Inc.  
 Liberty National Bank and  
 Trust Company (Louisville, KY)  
 Liberty National Bank (Buffalo, NY)  
 Liberty National Bank & Trust  
 Company Investment Dept.  
 (Oklahoma City, OK)  
 M&I Marshall & Ilsley Bank  
 McLaughlin, Piven, Vogel Inc.  
 Magnus & Co.  
 Mann, Urfer Inc.  
 Manufacturers and Traders Trust Co.  
 —Muni Trading & Safekeeping  
 Manufacturers Hanover Securities  
 Corporation  
 Marine Bank, N.A. (Milwaukee, WI)  
 Mark Twain National Bank  
 (St. Louis, MO)

Master Sanford Coon Ward  
 Holland, Inc.  
 MBank Houston, N.A.  
 Mercantile National Bank at Dallas  
 Mercantile Trust Company, N.A.  
 Merchants National Bank  
 & Trust Company of Indianapolis  
 Miller & Schroeder Municipals, Inc.  
 E. A. Moos & Co., Inc.  
 Morgan Guaranty Trust Company  
 of New York—Muni Bond Dealer  
 R. H. Moulton & Co.  
 Moulner & Bartlett, Incorporated  
 Mountaineer Securities Co.  
 Municipal Investors Service, Inc.  
 NCNB National Bank of Florida  
 National Bank of Commerce Trust  
 & Savings Association—Dealer  
 National Bank of Detroit  
 The National Bank of Washington  
 Newman and Associates, Inc.  
 J. Milton Newton, Inc.  
 Norwest Bank Des Moines, N.A.  
 Norwest Bank Minneapolis—Norwest  
 Securities  
 Norwest Bank of Omaha, N.A.  
 O'Brien & Shepard, Inc.  
 Old National Bank of Washington  
 Leo Oppenheim & Co., Inc.  
 Pacific Securities, Inc.  
 Peoples National Bank of Washington  
 R. W. Peters, Rickel & Co., Inc.  
 Wm. E. Pollock & Co., Inc.  
 Porter, White & Yardley, Inc.  
 RepublicBank First National  
 Midland (TX)  
 Rhode Island Hospital Trust  
 National Bank  
 Rogers & Lamb  
 Roosevelt & Cross, Incorporated  
 Schaffer, Necker & Co.  
 Schmidt Securities, Inc.  
 Seasingood & Mayer Municipals  
 Seattle First National Bank  
 Seattle Northwest Securities  
 Corporation  
 Security Pacific National Bank  
 Security Trust Company  
 (Rochester, NY)  
 Shaw, McDermott & Co.  
 Shawmut Bank—Investment Division  
 Donald Sheldon & Co., Inc.  
 Herbert J. Sims & Co., Inc.  
 Society National Bank  
 J. W. Sparks Municipals, Inc.  
 State Street Bank & Trust  
 —Fiduciary  
 M. L. Stern & Co., Inc.  
 Sun Bank, N.A.  
 (Orlando, FL)  
 Texas American Bank/Fort  
 Worth, N.A.  
 Texas Commerce Bank, N.A.  
 Third National Bank  
 in Nashville  
 Thorn, Alvis, Welch, Inc.,  
 Investment Securities  
 Titus & Donnelly Inc.  
 Trust Company Bank—Dealer  
 (Atlanta, GA)  
 UMIC, Inc.  
 Union Bank—Treasury Department  
 United Bank of Denver, N.A.  
 United Missouri Bank of Kansas  
 City, N.A.  
 Valley National Bank of Arizona  
 Wells Fargo Bank, N.A.  
 —Funding Group  
 R. D. White & Company  
 Wolfe & Drizos Municipals, Inc.  
 Wood Gundy Corporation  
 Worthen Bank & Trust Co., N.A.,  
 (Little Rock, AR)