

De-conversion Commitment

While we enter into our IB CB relationships with the expectation of a long term relationship we understand that some of our clients may, for any number of reasons, decide to terminate our relationship and move their business to a new back-office arrangement. At NBCN we are committed to the highest levels of customer service and satisfaction throughout your entire experience with NBCN, including assisting your firm through transition should you decide to engage a new carrying broker (NCB) or move to a new self-clearing environment.

We believe that it is in your best interest to set any expectations around this event up-front, and to document these principles in our IB CB agreement, so there are fewer surprises should a transition be required. Our experience has shown that with respect to conversions the focus has tended to be on services related to transferring in a book of business and not enough detail on services around transferring the book out.

NBCN will commit to assist in transitioning your business to your NCB in an efficient and timely manner. Working with your firm (Introducing Broker – IB) and the NCB, we can help ensure the conversion experience has the least disruption to your business as possible. We would also recommend that should you engage a NCB that you capture similar detailed terms in your new agreement with them.

We've highlighted the major NBCN commitments, as well as expectations from your firm, and expectations from your new carrying broker to ensure a successful conversion:

ACTIVITY	NBCN COMMITMENT	IB EXPECTATION	NCB EXPECTATION
Dedicated Conversion Resource	Will supply resources to manage the conversion out processes and act as the main point of contact for IB and the NCB	Will ensure a dedicated resource to oversee conversion and be NBCN's and NCB's main point of contact	Will supply Project Management to oversee the conversion
Release of Security Deposit	Will be released after all accounts are flat, and final fees owed to NBCN are processed	Will ensure that all final fees are settled with NBCN	Will work with IB and NBCN to ensure all assets are fully received to new platform
Date of Conversion	Will work with IB and NCB to accommodate requested conversion date, or provide alternative dates that work for all parties (including third party vendors. Eg: IBM SIS, Croesus) <i>Black out Periods : SIS General release dates, Dec 31st</i>	Will take into consideration NBCN blackout periods, and work with NCB to ensure date selected can be accommodated by NBCN	Will agree to dates put forth by NBCN and IB
Conversion Document	NBCN will provide the IB a document outlining NBCN conversion responsibilities	Will work with NBCN to ensure conversion document is mutually agreed upon	Will work with NBCN and IB based on NBCN's conversion document or provide the NCB conversion document for NBCN and IB review and agreement
Account Profile Data <i>*if required</i>	Will provide NCB copy of IB Account Profile data in standard IBM UFF format	Will provide (in writing) their authorization to release data to NCB	Will be fully responsible for translating the data and populating into NCB systems as required
Post Conversion System Access <i>*if required</i>	Will provided post conversion IB access to various NBCN systems, for a determined number of users and period of time. The term and costs will be agreed upon prior to the conversion date	Will work with NBCN to determine list of users, length of time, and what systems are needed post conversion	Will not be granted any access to NBCN systems
Third Party Vendors	Will work with IB's third party vendors, based on IB's request, to co-ordinate conversion related activities	Will notify all third party vendors to ensure their conversion requirements are communicated to NBCN and NCB	Will work with IB's third party's vendors to ensure conversion requirements are documented and prepared for
Conversion Logic/practice	NBCN will work with IB to determine the best conversion methodology (eg: TD or SD conversion)	Will work with NBCN to determine conversion logic/practice to be used	Will adapt to conversion logic/practice utilized by NBCN and IB
Misc Data Extracts	Provide agreed upon secured data extracts to IB as requested. Any costs associated with providing	Will confirm (in writing) authorization to release data to NCB	Will be fully responsible for translating the data and populating into NCB systems as required

	special data extracts will be communicated to IB		
Plan Splits <i>*if applicable</i>	Provide CRA resignation letters, allowing plan split(s)	Confirm with NBCN and NCB if plan split is required	Provide CRA acceptance letters, allowing the plan split(s)
Income Payments	Provide NCB relevant info, allowing NCB to assume remainder of yearly payments	Provide NBCN with “last payment date” for income payments to be made on NBCN records	Update all income fund accounts with relevant payment info.
Movement of Assets	Provide NCB final list of all positions/money to be transferred (date of conversion). Delivery of IB’s assets (starting day of conversion)		Accept all assets based on final listing received from NBCN. Ensure all pieces are in place (agreements/systems etc) to allow the reception of all IB’s Assets
Vault Count <i>*if required</i>	Will conduct vault count of IB’s OTC positions	Can be present at NBCN Montreal cage for count	Cannot participate in NBCN vault count
Systematic Plans (EFT’s/PAD etc)	Provide NCB list of IB’s systematic plans on NBCN records (anything held out side of NBCN i.e. fund co’s, cannot be provided). Provide a “cut-off calendar” outlining NBCN’s last run, and when NBCN will stop systematic plans	Will confirm (in writing) authorization to release data to NCB Follow the NBCN “cut-off calendar” and resolve any client impacts	Will re-setup plans on NCB systems, based on calendar provided by NBCN, to ensure no systematic plans are duplicated.
DRIP’s	Provide NCB list of IB’s DRIP on NBCN records. NBCN will provide a “cut-off calendar” outlining when NBCN will process the DRIP, and when the DRIP will be cancelled	Will confirm (in writing) authorization to release data to NCB Will advise IA’s of “cut-off dates”	Will setup DRIP’s based on calendar provided by NBCN to ensure no DRIP plans are duplicated
Optional Events	Provide NCB list of IB’s Optional Events on NBCN records. NBCN will provide a “cut-off calendar” outlining the last day when the IB can enrol in a optional event, and last cancel date	Will confirm (in writing) authorization to release data to NCB Will advise IA’s of “last dates”	Will setup/re-enter cancelled optional events, based on list provided by NBCN
Mandatory Events	Will provide NCB list of IB clients where mandatory events are taking place, if delivery of the position will be effected		
Pending Transfers	Will provide IB a “cut-off calendar” of last days to process ATON, and non-ATON transfers. Will provide NCB list of all pending transfers as of the conversion day	Will advise IA’s that no transfers can be processed after the cut-off dates, and will send all new transfer documentation to NCB	Will work with IB to ensure transfers received at IB after cut off dates, are setup on NCB system
Year End CD’s	Will provide IB full Y/E CD runs for calendar year up until conversion date	N/A	N/A
Post Conversion Support	Will provide IB post conversion support for duplicate statement requests, duplicate tax receipt requests, address change, etc... Any time & material costs associated with this support will be communicated to the IB prior to the conversion date	Will provide list of authorized parties at IB who can contact NBCN for duplicates, changes.	Will not be able to contact NBCN for duplicates, or address changes