

The Depository Trust Company

IMPORTANT

B#: 3511-08

DATE: May 19, 2008

TO: All Participants

CATEGORY: Compliance

FROM: General Counsel's Office

ATTENTION: Managing Partners, Officers, CFO, Compliance Officers

SUBJECT: Participant Financial Responsibility and Operational
Capability Notification Requirements

The purpose of this notice is to remind Participants of their responsibilities under DTC's Rules to furnish DTC with certain required information, which includes ongoing financial, operational and regulatory reports. Please note that all amendments or addenda to such reports or information must be submitted to DTC concurrently with their submission to the applicable primary regulator, or as soon as practicable if not filed with a regulator. Pursuant to DTC's Rules, those Participants that fail to comply with these requirements may be subject to disciplinary sanctions including, but not limited to, fines. The Rules can be obtained on DTC's website at www.dtc.org.

Ongoing Submission of Financial and Regulatory Reports

Pursuant to DTC's Rule 2, Participants must demonstrate to DTC that the Participant has adequate financial and operational capability to meet all of its anticipated obligations to the Corporation. The Rule also requires that Participants furnish to the Corporation adequate assurances of their financial responsibility and operational capability, as the Corporation may at any time deem necessary.

The attached schedule provides guidelines to firms for submission of ongoing financial and regulatory reports. **Participants are urged to review the attached schedule and incorporate the indicated filing deadlines into their internal procedures.**

DTC prefers to receive financial information by email:

- 1) By email to: Credit-MarketRisk@dtcc.com
No contact name is needed. Please provide in the "subject" line the Firm Name, Reporting Period Covered and Type of Report

If you choose not to send financial information by email, additional options are listed below:

- 2) By mail (return receipt recommended) to:
The Depository Trust & Clearing Corporation (DTCC)
P.O. Box 5082
Bowling Green Station
New York, NY 10274
- 3) By Facsimile to: 212-363-3120 or 212-482-0040
Attn: Risk Management
- 4) **By Over Night Mail Only to:**
The Depository Trust & Clearing Corporation (DTCC)
55 Water Street
Attn: Risk Management, 19th floor
New York, NY 10041

In addition, DTC Participants are required to timely notify the Corporation of material events that may impact the Participant's financial and operational capability. Such events include, but are not limited to:

- Material change in ownership, control or management;
- Material organizational changes including mergers, acquisitions, changes in corporate form, name changes;
- Material change in business lines, including but not limited to, new business lines undertaken;
- Decreases of 25% or greater in excess net capital (broker/dealers) or net worth (banks);
- Participation as a defendant in litigation, which could reasonably have a direct negative impact on the Participant's financial condition or ability to conduct business.

Participants that are submitting identical reports to FICC or NSCC need not submit duplicate reports to DTC so long as they identify DTC among the names of the clearing agencies to which the submission relates.

Questions regarding the information Participants are required to provide under DTC's Rules should be addressed to Martha Ruotolo, Risk Management, at (212) 855-5764.

Questions regarding fines imposed by the Corporation should be addressed to Darlene Norman, General Counsel's Office, at (212) 855-3271.

Darlene Norman
Senior Legal Analyst
General Counsel's Office

DTC Submission Deadlines*

Broker/Dealers	Required Report/Information	Due Date for Receipt by DTC¹
All brokers or dealers registered under the Securities Exchange Act of 1934	Annual audited financial statements ² , or regulatory extension letter (Confidential version, including the report on internal control), including regulatory extension letter, if applicable	70 calendar days after the fiscal year-end (for specialist firms not required to file same with their primary regulator, no later than 30 days following date of auditors' opinion letter)
	FOCUS ³ or FOGS reports, including regulatory extension letter, if applicable	20 business days after month-end or quarter-end, as applicable
	Supplemental report required to be filed pursuant to SEC Rule 17a-11 or 17 C.F.R. Sec. 405.3	Submitted concurrently with submission to the SEC

Banks/Trusts	Required Report/Information	Due Date for Receipt by DTC¹
All domestic banks or trusts	Annual audited financial statements ²	100 calendar days after fiscal year-end
	A copy of any regulatory notification required to be made when a Participant's capital levels or other financial requirements fall below levels prescribed by the applicable regulator	Submitted concurrently with submission to the applicable regulator
Domestic bank or trust company with obligation to file CALL or TFR Reports and domestic offices only	CALL or TFR report	35 calendar days after quarter-end
Domestic bank or trust company with obligation to file CALL or TFR Reports and non-domestic offices	CALL or TFR report	45 calendar days after quarter-end
Bank or trust company with no obligation to file CALL or TFR Reports	Unaudited quarterly financial information as filed with Participant's state or federal regulatory authority	Submitted within 5 calendar days of submission to the Participant's state or federal regulatory authority

* Please note that all amendments or addenda to such reports or information must be submitted to DTC concurrently with their submission to the applicable primary regulator, or as soon as practicable if not filed with a regulator.

¹ In all cases where a due date falls on a day that is not a business day, the due date shall be deemed to be the first business day immediately thereafter.

² If a Participant is admitted with a guarantee, the Participant's annual audited financial statements, as well as annual audited financial statements for the guarantor, must be provided. The Participant's timeframe is as designated for that Participant's entity type; the guarantor's timeframe is as designated for that guarantor's entity type. If annual audited financial statements of the member or its guarantor are not available, DTC in its sole discretion may accept consolidated financial statements prepared at the parent level. If parent company audited consolidated financials are accepted by DTC, they must be provided to DTC no later than 30 days following the date of the auditor's opinion letter.

³ If Participant files its FOCUS report electronically with FINRA or CHX, and has authorized the primary regulator to forward the report to DTC, then the Participant need not file another copy with DTC, unless notified by DTC. These Participants must however submit all other reports (including extension letters) to DTC.

Submission schedule continued on next page...

All foreign banks, including those with a U.S. branch or agency	Annual audited financial statements ²	6 months after the fiscal year-end
	Quarterly financial statements for the foreign bank	75 calendar days after the end of each fiscal quarter
All banks and trusts	A copy of any regulatory notification required to be made when a Participant's capital levels or other financial requirements fall below prescribed levels	Submitted concurrently with submission to the applicable regulator

Others	Required Report/Information	Due Date for Receipt by DTC¹
All Central Securities Depositories	Annual audited financial statements ²	9 months after the fiscal year-end
All other Participants	Annual audited financial statements ²	30 calendar days from date of auditors' opinion letter
	Unaudited quarterly financial information	Submitted within 5 calendar days of submission to the applicable regulator
	A copy of any regulatory notification required to be made when a Participant's capital levels or other financial requirements fall below prescribed levels	Submitted concurrently with submission to the applicable regulator

¹ In all cases where a due date falls on a day that is not a business day, the due date shall be deemed to be the first business day immediately thereafter.

² If a Participant is admitted with a guarantor, the Participant's annual audited financial statements, as well as annual audited financial statements for the guarantor, must be provided. The Participant's timeframe is as designated for that Participant's entity type; the guarantor's timeframe is as designated for that guarantor's entity type. If annual audited financial statements of the member or its guarantor are not available, DTC in its sole discretion may accept consolidated financial statements prepared at the parent level. If parent company audited consolidated financials are accepted by DTC, they must be provided to DTC no later than 30 days following the date of the auditor's opinion letter.