

The Depository Trust Company

IMPORTANT

B#: 3579-08

DATE: June 5, 2008

TO: All Participants

CATEGORY: Compliance

FROM: General Counsel's Office

ATTENTION: Managing Partner/Compliance Officer/General Counsel's Office

SUBJECT: DTC Proposed Rule Change SR-DTC-2008-05 – relating to Money Market Instruments

Recently, The Depository Trust Company ("DTC") filed a rule change with the Securities and Exchange Commission ("SEC") to establish a new fee which relates to DTC's Money Market Instrument procedures. If approved, DTC will implement the fee described below.

Maturity Presentments ("MP") are processed automatically and randomly against the IPAs' DTC account. IPAs are provided the ability to refuse to pay for a specific issuer's MP in the event that the issuer defaults on its obligation to the IPA. An IPA that refuses payment on an MMI must communicate its intention to DTC using the MP Refusal function on the Participant Terminal System ("PTS"). This communication is referred to as an Issuer Failure/Refusal to Pay and it allows the Paying Agent to enter refusal to pay notifications for a particular defaulting issuer via PTS until 3:00 p.m. (ET) on the date of maturity.

The Paying Agent understands that entering such a notification will cause DTC to follow its Defaulting Issuer procedures which include: devaluing the collateral value of all of the defaulting issuer's MMI to zero, reversing all of the issuer's issuances and maturities processed that day, notifying DTC Participants of the default and blocking all further issuances by the Issuer from entering DTC.

If, thereafter an IPA contacts DTC to complete all of the transactions that it previously reversed via the MP Refusal Function, DTC must undo all the actions it took under its Defaulting Issuer procedures. This process of reversing a refusal or failure to pay instruction and effectively resetting the security is an operational burden to DTC and of great financial concern to investors and their custodians. Accordingly, DTC is proposing to implement a \$10,000 fee to each IPA that requests such reversal.

The full text of the rule change is available at our website, www.dtcc.com. Questions or inquiries regarding this Important Notice or the proposed rule change may be directed to Candice Fordin, Associate Counsel at email cfordin@dtcc.com or (212) 855-7632; any

such comments will be forwarded to the SEC. Written comments may also be addressed to the Secretary of the Commission, Securities and Exchange Commission, 100 First Street, N.E., Washington, D.C. 20549. We request that you provide DTC with a copy of your comments.