

# IMPORTANT NOTICE

**The Depository Trust Company**



**#:** B#6134-10  
**Date:** January 15, 2010  
**To:** All Participants  
**Category:** Compliance  
**From:** General Counsel's Office  
**Attention:** Managing Partner/Officer Cashier/Operations Management  
**Subject:** DTC Rule Change SR-DTC-2010-01 to expand DTC's Invitation to Cover Shorts functionality to non-DTC short positions

The Depository Trust Company ("DTC") recently filed a rule change with the Securities and Exchange Commission ("SEC") as effective upon filing, pursuant to Section 19(b)(3)(A) of the Securities and Exchange Act of 1934. The purpose of the change was to expand DTC's Invitation to Cover Short functionality to cover non-DTC shorts.

DTC's Invitation to Cover Shorts capability allows Participants to distribute invitations to tender to cover short positions over DTC's Participant Terminal System ("PTS"). The purpose of the capability is to provide a means to reduce the number of short positions held at DTC.

Recently, DTC's Participants have requested that DTC expand its Invitation to Cover Short capability in order to assist Participants in covering their non-DTC short positions. Expanding this capability to non-DTC short positions will enable Participants with short positions outside of DTC to locate interested security holders of the security (who are also DTC Participants) to cover positions that are not available in the public marketplace. Fewer short positions will help Participants avoid the financial risk associated with such positions. Participants that use the ICS capability to invite tenders for non-DTC short positions will be subject to similar procedures as are currently required of Participants when they use the ICS capability.

The full text of the rule change is available at our website, [www.dtcc.com](http://www.dtcc.com). Questions or inquiries regarding this proposed rule change may be directed to Candice Fordin, Associate Counsel at email [cfordin@dtcc.com](mailto: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.

Non-Confidential

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