

IMPORTANT NOTICE

The Depository Trust Company



#: B#7637-10
Date: November 18, 2010
To: All Participants
Category: Compliance
From: General Counsel's Office
Attention: Managing Partner/Officer Cashier/Operations Management
Subject: DTC Rule Change SR-DTC-2010-16 regarding the Federal Reserve

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 changes were made in order to extend the end-of-day cutoff time for processing pledges to the Federal Reserve ("FR") and to reflect other changes requested by the FR.

DTC's end-of-day settlement processing system controls and coordinates the settlement of Participant accounts and Settling Bank accounts on DTC's system. The settlement process occurs through the Fedwire system and is initiated when DTC posts final figures for Participants and Settling Banks. Recently, the FR reviewed their current collateral processes and identified opportunities to improve the efficiency and timing of pledging collateral. To implement those changes, the FR has requested that DTC make revisions to its settlement schedule relating to the timing for Participants to pledge collateral to a Federal Reserve Bank ("FRB"). Additionally, the FR has requested that DTC consolidate the pledge reasons used for discount window and daylight overdraft payment system risk purposes. The FR has requested that DTC remove the pledge code 05- Daylight (Funds) Overdraft to prevent the future use of this code.¹ Instead, Participants will use the pledge code 01- Discount Window to submit pledges relating to daylight overdraft and relating to the discount window.

Effective December 2, 2010, DTC will (i) extend the end-of-day cutoff time for processing pledges and releases to/from the FRS from 3:00² p.m. to 5:00 p.m. to facilitate late-day processing for depository institutions. Effective December 10, 2010, DTC will consolidate the pledge codes used for discount window and daylight overdraft payment system risk purposes into one code. The extended period for pledge affords greater flexibility in determining and securing liquidity needs which may, among other matters, enhance DTC settlement and generally help to minimize systemic risk.

¹ DTC will modify the automated input file feed option with an error message when requests are submitted with the purpose pledge code 05- Daylight (Funds) Overdraft. The error message will let the user know to use pledge code 01 instead.

² All times refer to Eastern Time.

Non-Confidential

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

To remove your name from the former system of email notifications, send a message to unsubscribe@dtcc.com.

The full text of the rule change is available at our website, www.dtcc.com. For more details about this change, please contact Javette Laremont at (212) 855-2414 or via email at jlaremont@dtcc.com. Questions or inquiries regarding this filing may also 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.