

IMPORTANT NOTICE

The Depository Trust Company



#: B7824-10
Date: December 29, 2010
To: ALL PARTICIPANTS
Category: Executive Notices
From: Paula Arthus, Managing Director, Relationship Management
Attention: Managing Partner/Officer/Operations Manager
Subject: 2011 DTC Fee Adjustments

During 2010, DTCC has undertaken a complete appraisal of our risk management practices, processes and methodologies. This effort marks the beginning of a complete transformation for DTCC, as expectations for our risk reduction and risk mitigation role have been significantly raised. This is directly related to the financial crisis that peaked about two years ago. This transformation entails, among other things, the expansion of risk management staff, enhancing risk management systems and processes, implementing a capability for the development of analyses and action plans to address systemic risk issues in DTCC's own systems and in industry functions we support, and other enhancements to the important control functions DTCC provides for the industry.

At the same time, DTCC continues to see significantly depressed transaction volumes and values, as compared with periods before the financial crisis.

Given DTCC's risk management demands and the market environment, at the recommendation of DTCC management, DTCC's Board of Directors has approved a 16% fee increase for selected business lines across the U.S. regulated subsidiaries. These fee adjustments are consistent with our Board's direction to operate at a consolidated margin at or about 15% across the regulated entities, and result in an aggregate increase to DTC fees of \$44.5 million, or approximately 13% of DTC's 2010 revenues.

For the Asset Services business line, fees continue to be realigned with costs and to be scaled to reflect processing complexity. The changes to Settlement Service fees reflect cost realignment and cost recovery in the lower volume environment.

The Asset Services fee increases for existing services include Custody, Dividends, Deposits, Corporate Actions, Tax services and Underwriting. Additionally, there are Asset Services disincentive fee increases (used to discourage behavior that keeps the industry from achieving peak efficiency) for reject and exception processing. A new Asset Services fee is also being introduced to recover costs associated with excluding company stock Treasury Shares from dividend processing, Custody inventory swings and the new FINRA reporting service.

The DTC Settlement fee increases for existing services include Deliver Orders, Payment Orders, Money Market Instruments, and SmartTrack.

Should actual volumes in 2011 deviate from the planning assumptions, management will consider a mid-year fee adjustment.

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The details of the revisions to DTC's fees can be found in the attached 2011 DTC Participant Fee Adjustment table. Appropriate rule filings will be made with the Securities and Exchange Commission. Concurrent with the implementation of DTC fee changes, NSCC is also issuing an Important Notice for fee changes (see NSCC Important Notice A# 7128 / P&S# 6699). All fees are scheduled to become effective **January 3, 2011** for billing in February 2011.

If you have any questions regarding the fee revisions or would like to discuss the impact these changes will have to your firm's bill, please contact your Relationship Manager.

2011 DTC Participant Fee Adjustments

Fee ID	Service	Existing Fee	New Fee	Per
Smart Track				
638	Smart/Track for buy-ins	\$ 0.60	\$ 1.00	Per transaction for each deliver and receive
Deliveries, excluding MMI				
147	Deliver, opening in day cycle to cutoff, excluding stock loans	\$ 0.40	\$ 0.45	Per item, charged to deliverer
605	Override of Delivery Instruction to CNS	\$ 0.40	\$ 0.45	Per item, charged to deliverer
607	Deliver, via IMS authorization, day cycle	\$ 0.40	\$ 0.45	Per item, charged to deliverer
642	Deliver, via IMS authorization, day cycle	\$ 0.40	\$ 0.45	Per item, charged to deliverer
643	Deliver, via IMS authorization, day cycle	\$ 0.40	\$ 0.45	Per item, charged to deliverer
654	Institutional delivery, via IMS authorization, day cycle	\$ 0.40	\$ 0.45	Per item, charged to deliverer
174	Municipal Bearer Bond Service DO deliver	\$ 0.40	\$ 0.45	Per item, charged to deliverer
182	Receive regardless of time	\$ 0.065	\$ 0.12	Per item, charged to receiver
183	Receive	\$ 0.065	\$ 0.12	Per item received
237	Submission of DO between participant	\$ 0.250	\$ 0.30	Per item, charged to deliverer
240	DOs between participants in a collateral group	\$ 0.250	\$ 0.30	Per transaction; billed to deliverer only
652	Deliver, opening in day cycle to cutoff, stock loans and returns	\$ 0.20	\$ 0.25	Per item, charged to deliverer
666	DO through DRS (Deliver or receive)	\$ 0.40	\$ 0.45	Per item
112	Reclaim receive or delivery	\$ 0.40	\$ 0.45	Per receive or delivery
186	Premium payment order (PPO) or securities payment order (SPO) delivery or receipt	\$ 0.08	\$ 0.10	Per receive or delivery
657	Receive from CNS	\$ 0.030	\$ 0.035	Per item received; charged to both sides
Money Market Instruments				
385	Maturity or reorganization presentment	\$ 0.80	\$ 1.00	Per item delivered or received
392	DO	\$ 0.80	\$ 1.00	Per item delivered or received
287	Turnaround DO	\$ 0.80	\$ 1.00	Per Turnaround
387	Issuance instruction, both directly placed and dealer placed	\$ 0.80	\$ 1.00	Per instruction; charged to issuer's agent
388	Issuance deposit / MMI issuance receiver	\$ 0.80	\$ 1.00	Per item

2011 DTC Participant Fee Adjustments

Fee ID	Service	Existing Fee	New Fee	Per
Custody				
Maintenance of Long Position (Registered Securities)				
155	Active issue	\$ 0.25	\$ 0.50	Per issue per month, as follows: • For registered corporate issues, when a daily average of more than 15 participants have position • For registered municipal issues, when a daily average of more than 2 participants have position
303	Less active issue	\$ 0.35	\$ 0.70	Per issue per month, as follows: • For registered corporate issues, when a daily average of 15 or fewer participants have position
109	BEO issue	\$ 0.10	\$ 0.15	Per issue per month
Shares				
260	First 0 to 25 million shares	\$ 0.00002006	\$ 0.00003009	Average daily number of shares or bonds, rounded up to a multiple of 100 shares
	Excess over 25 million up to 200 million	\$ 0.00000502	\$ 0.00000753	Average daily number of shares or bonds, rounded up to a multiple of 100 shares
	Excess over 200 million up to 300 million	\$ 0.00000252	\$ 0.00000378	Average daily number of shares or bonds, rounded up to a multiple of 100 shares
	Over 300 million	\$ 0.00000019	\$ 0.00000029	Average daily number of shares or bonds, rounded up to a multiple of 100 shares
General Asset Services				
687	Password reset	\$ 25.00	\$ 100.00	Per password reset
Custody (Core Services)				
Withdrawal and Pickup (Implementing a time based system)				
TBD	Withdrawal and pickup (COD)/ Next day to 8:30AM	\$ 60.00	\$ 40.00	Per withdrawal and pickup
216	Withdrawal and pickup (COD)/ 8:30AM to 2PM	\$ 60.00	\$ 60.00	Per withdrawal and pickup
TBD	Withdrawal and pickup (COD)/ 2PM to 4:30PM	\$ 60.00	\$ 100.00	Per withdrawal and pickup
Withdrawal and Shipment (Implementing a time based system)				
TBD	Withdrawal and shipment (COD)/ Next day to 8:30AM	\$ 70.00	\$ 50.00	Per withdrawal and shipment
218	Withdrawal and shipment (COD)/ 8:30AM to 2PM	\$ 70.00	\$ 70.00	Per withdrawal and shipment
TBD	Withdrawal and shipment (COD)/ 2PM to 4:30PM	\$ 70.00	\$ 110.00	Per withdrawal and shipment
398	Long position	\$ 0.65	\$ 0.70	Per certificate per month
106	Custody transfer	\$ 90.00	\$ 80.00	Per transfer
202	Rush transfer	\$ 130.00	\$ 100.00	Per transfer
336	Custody deposit	\$ 7.00	\$ 12.00	Per deposit
198	Custody reorg deposit	\$ 80.00	\$ 90.00	Per deposit, with existing envelope; includes custody deposit fee
286	Trailing document	\$ 13.00	\$ 15.00	Per item
217	Withdrawal and subsequent deposit	\$ 30.00	\$ 20.00	Per withdrawal and subsequent deposit, plus branch deposit fee

2011 DTC Participant Fee Adjustments

Fee ID	Service	Existing Fee	New Fee	Per
Custody (Exception Processing)				
295	Withdrawal not picked up	\$ 35.00	\$ -	Fee Elimination
156	Reorg research	\$ 100.00	\$ 110.00	Per item
Custody (Non-Core Services)				
131	Change of account number	\$ 6.50	\$ -	Fee Elimination
283	Customize/mail letter	\$ 5.50	\$ 6.50	Per item
NY Window				
Receives and Deliveries				
133	Branch receive without SIC	\$ 8.00	\$ -	Fee Elimination
333	Internal Cross Delivery	\$ 15.00	\$ 20.00	Per delivery
332	Internal Cross Receive	\$ 15.00	\$ 20.00	Per receive
Other Services				
290	Daily Balancing	\$ 20.00	\$ -	Fee Elimination
Physical Processing				
423	COD Pickup	\$ 5.00	\$ -	Fee Elimination
Deposits				
Branch Deposit (Core Services)				
197	Regular deposit received from a branch	\$ 15.00	\$ 18.00	Per deposit
Branch Deposit (Exception Processing)				
161	Addition of branch item	\$ 15.00	\$ 18.00	Per item
Deposit Automation Management (DAM)				
374	Nontransferable issue	\$ 60.00	\$ 75.00	Per deposit
402	FAST transfer agent deposit (DWAC)	\$ 2.00	\$ 3.00	Per deposit; applies to deposits made to the FAST
Bearer Deposits				
590.24	Deposit of bearer securities received from a branch	\$ 6.50	\$ 18.00	Per deposit
Restricted Deposits				
230	Restricted deposit - before 2:00 p.m.	\$ 85.00	\$ 90.00	Per deposit
641	Restricted deposit - After 2:00 p.m.	\$ 100.00	\$ 110.00	Per deposit, plus pass-through fees imposed by the transfer agent

Dividends				
Dividend Credits				
160	Cash dividend or interest payment - Equity securities, conforming structured securities	\$ 1.50	\$ 1.65	Per credit
271	Cash dividend or interest payment - Stock distribution payment (including dividends, splits, spin-offs, and dividend	\$ 12.00	\$ 13.00	Per credit
266	Stock loan income tracking and REPO tracking adjustment	\$ 0.31	\$ 0.50	Per credit and debit
355	DRP instruction to receive stock in lieu of a cash dividend	\$ 10.00	\$ 11.00	Per instruction
679	Corporate issue fail tracking adjustment	\$ 0.31	\$ 0.50	Per credit

2011 DTC Participant Fee Adjustments

Fee ID	Service	Existing Fee	New Fee	Per
Dividends				
Dividend Credits				
391	MMI	\$ 1.10	\$ 1.25	Per credit
209	Adjustment of trade proceeds	\$ 0.31	\$ 0.50	Per credit and debit; applies to certain CMO or ABS transactions resettled with the correct factor, through CTAS via PTS or PBS
179	Automatic reinvestment of dividend	\$ 12.00	\$ 13.00	Per allocation
516	Cash dividend or interest payment - Floating payable date security (ARP, ARN)	\$ 3.00	\$ 3.15	Per credit
162	Municipal interest payment - Registered municipal issue	\$ 1.50	\$ 1.65	Per credit
111	Non-conforming structured securities (ABS/CMO)	\$ 3.00	\$ 3.15	Per credit
196	Municipal interest payment - VRDO	\$ 3.00	\$ 3.15	Per credit
Municipal Bearer Bond Service				
379	Interest payment - Muni bearer interest payment	\$ 1.50	\$ 1.65	Per credit, plus fee 584 (coupon clipping and collection), if applicable
154	Interest payment - Face value fee (surcharge)	\$ 5.00	\$ 6.00	Per \$1,000 in interest received

Reorganization				
Instruction Fee				
636	Physical processing of mandatory exchange, partial call, full call, or maturity (surcharge)	\$ 10.00	\$ 12.00	Per item
526	Standard: Low-volume tender offers, cash-in-lieu through PTOP, monthly mortgage-backed puts, and early CD redemptions	\$ 75.00	\$ 77.00	Per instruction
527	All other voluntary events, including tenders, rights, warrants, and conversions - Bulk	\$ 30.00	\$ 33.00	Per instruction, first 50 instructions
634	Mandatory exchanges, including calls, redemptions, prerefundings, defeasances - Mandatory exchange, including mandatory puts	\$ 35.00	\$ 38.00	Per participant position
631	Mandatory exchanges, including calls, redemptions, prerefundings, defeasances - Partial call	\$ 26.00	\$ 28.00	Per participant position
630	Mandatory exchanges, including calls, redemptions, prerefundings, defeasances - Full call	\$ 20.00	\$ 22.00	Per participant position
632	Mandatory exchanges, including calls, redemptions, prerefundings, defeasances - Maturity	\$ 16.00	\$ 18.00	Per participant position
Reorganization				
376	Processing of position swing resulting from name change	\$ 10.00	\$ 12.00	Per participant position
321	IVORS	\$ 4.00	\$ 3.00	Per redemption or sale
651	IVORS plus	\$ 6.00	\$ 4.00	Per transaction
533	Proxy record date meeting	\$ 0.50	\$ 0.75	Per participant record date position; applies to holders identified on the record date capture for proxy meetings
Program Servicing Fees				
627	Warrants	\$ 50.00	\$ 52.00	Per CUSIP holding in program
628	Conversion	\$ 50.00	\$ 52.00	Per CUSIP holding in program

2011 DTC Participant Fee Adjustments

Fee ID	Service	Existing Fee	New Fee	Per
Underwriting				
Book-Entry-Only Issues				
660	Basic BEO (multiple), UW SOURCE	\$ 200.00	\$ 500.00	Per basic BEO issue regardless of numbers of CUSIPs, plus unusual expenses
661	Basic BEO (single), UW SOURCE	\$ 250.00	\$ 350.00	Per basic BEO issue single CUSIP, plus unusual expenses
662	Complex BEO, UW SOURCE	\$ 325.00	\$ 750.00	Per complex BEO issue regardless of numbers of CUSIPs, plus unusual expenses; applied to the following security types: derivatives (municipal, equity, or debt), closed-end funds, limited partnership common stock, unit equity or debt & CMO
338	CMO/ABS	\$ 150.00	\$ 250.00	Per CUSIP (first five CUSIPs are free), plus BEO complex eligibility fee (fee 662)
CD				
663	CD BEO, UW SOURCE	\$ 150.00	\$ 275.00	Per CUSIP, plus unusual expenses
Certificated Issues				
101	Issue with more than one CUSIP number	\$ 1,500.00	\$ 3,000.00	per issue, plus \$3.00 per million shares, up to a maximum of \$4,000, plus unusual expenses
104	Issue with one CUSIP number	\$ 1,500.00	\$ 2,250.00	per issue, plus \$3.00 per million shares, up to a maximum of \$3,250, plus unusual expenses

Fee ID	Service	Existing Fee	New Fee	Per
Tax Services				
432	EDS Foreign Tax Services	0.5% of tax relief secured with a minimum fee of \$30.00 and a maximum fee of \$800.00 per final election made during the pre-payable election window	0.625% of tax relief secured with a minimum fee of \$32.00 and a maximum fee of \$1000.00 per final election made during the pre-payable election window	Described Condition

2011 DTC Disincentive Fee Adjustments

Fee ID	Service	Existing Fee	New Fee	Per
Direct Registration System (DRS)				
603.1	Direct mail by transfer agent (DMA) - Direct Registration Statement	\$ 100.00	\$ 500.00	Per Item
Withdrawals-by-Transfer				
345	Generation of WT (interface or window pickup)	\$ 250.00	\$ 500.00	Per assignment
582	Nonreceipt of final documents	\$ 300.00	\$ 500.00	Applies when documents are not received by 10 business days after the closing date
682	Incomplete UW SOURCE Corporate Eligibility Information	\$ 200.00	\$ -	Eliminated

2011 DTC Participant Fees - New

Fee ID	Service	Fee	Per
Dividends			
TBD	Treasury Share Dividend Adjustment	\$ 40.00	Adjustment
TBD	Late Treasury Share Dividend Adjustment	\$ 300.00	Adjustment
Custody			
TBD	Participant Inventory Swing - Withdrawal	\$ 8.00	Withdrawal
TBD	Participant Inventory Swing - Deposit	\$ 8.00	Deposit
SmartTrack			
TBD	FINRA / 3 rd Party Position Reporting	\$ 1000.00	Report