

OMB APPROVAL

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SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549
 Form 19b-4

File No. SR - 2008 - 04
 Amendment No. []

Proposed Rule Change by The Depository Trust Company
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial Amendment Withdrawal Section 19(b)(2) Section 19(b)(3)(A) Section 19(b)(3)(B)

Pilot Extension of Time Period for Commission Action Date Expires [] Rule
 19b-4(f)(1) 19b-4(f)(4)
 19b-4(f)(2) 19b-4(f)(5)
 19b-4(f)(3) 19b-4(f)(6)

Exhibit 2 Sent As Paper Document Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the proposed rule change (limit 250 characters).

The proposed rule change establishes an alternate choice in DTC Profile Surety Providers.

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name Candice Last Name Fordin
 Title Associate Counsel
 E-mail cfordin@dtcc.com
 Telephone (212) 855-7632 Fax (212) 855-3215

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 06/05/2008

By Larry Thompson
 (Name)

General Counsel
 (Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Larry E. Thompson,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

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Exhibit 1 - Notice of Proposed Rule Change

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

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Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

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Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

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Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

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Exhibit 5 - Proposed Rule Text

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

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Partial Amendment

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

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1. Text of the Proposed Rule Change.

(a) The proposed rule change establishes an alternate choice in DTC Profile Surety Providers, which is part of the Profile Modification System feature (“Profile”) of the Direct Registration System (“DRS”) for securities of The Depository Trust Company (“DTC”).¹ As more fully described below, upon implementation of the proposal, DRS Participants and Limited Participants will have access to an alternate choice in surety providers which will provide higher coverage under a single surety bond.

2. Procedures of the Self-Regulatory Organization.

(a) DTC’s Board of Directors has not taken, and is not required to take, action on the proposed rule change.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) On April 19, 2000 the Securities and Exchange Commission (“SEC”) approved a rule filing for the establishment of Profile² and in May 2000, DTC implemented Profile. Profile is an electronic communication medium between transfer agents that are DRS Limited Participants (“Limited Participants”) and broker/dealers that are DRS Participants (“Participants”). Profile allows Participants to electronically submit an investor’s instruction to move a share position from the investor’s Limited Participant account to the investor’s Participant account at DTC (“Electronic Participant Instruction”). Profile also allows Limited Participants to submit an investor’s instruction for the movement of its share positions from the investor’s Participant account at DTC to an account maintained by the Limited Participant (“Electronic Limited Participant Instruction” and, together with Electronic Participant Instructions, “Electronic Instructions”). A user submitting an Electronic Instruction through Profile is required to agree to a Participant Terminal System (“PTS”) screen indemnity (the “Screen Indemnity”).

On November 17, 2000 the SEC approved a rule filing which established the DTC Profile Surety Program (“PSP”).³ Under PSP, all users of Profile who agree to the Screen Indemnity as part of their use of Profile must procure a surety bond relating to their obligations under such indemnity. PSP requires a surety bond to back the representations a guarantor makes under the Screen Indemnity in the case of an obligor not honoring its obligations (“Surety Bond”). This provides an additional layer of protection for industry members using DRS and Profile. Participation in PSP requires the payment of an annual premium of \$3,150 to a surety provider and a DTC administration fee of \$250. The current PSP surety provider provides for a coverage limit of \$3 million per occurrence,

¹ DRS is more fully described in DTC’s filing on Form 19b-4, File No. SR-DTC-96-15, and Profile is more fully described in DTC’s filing on Form 19b-4, File No. SR-DTC-00-04. The DTC Profile Surety Program is more fully described in DTC’s filing on Form 19b-4, File No. SR-DTC-00-09.

² File No. SR-DTC-00-04.

³ File No. SR-DTC-00-09.

with an annual aggregate limit of \$6 million, which may not allow for the coverage of larger transactions under a single Surety Bond.⁴

In order to provide higher coverage under a single Surety Bond, DTC now proposes an alternate choice in DTC Profile Surety Providers. Users of Profile who agree to a Screen Indemnity will now have the option to procure a Surety Bond with a higher coverage limit than currently offered. The coverage limit will be expanded to \$7.5 million per occurrence, with an annual aggregate limit of \$15 million. Users of such surety provider will be required to pay an annual premium of \$6,000 to a surety provider and a DTC administration fee of \$250. The intent of this program is to account for the additional, larger value Profile transactions that DRS currently handles, to provide surety/insurance options to users, and for contingency planning (i.e., if a provider is no longer able to provide insurance/surety.) Users will be permitted to participate with each provider but will continue to be required to select only one provider per Profile transaction.

The surety company issuing the Surety Bond will either be a company selected by DTC as the administrator of such program, or a surety company selected by the DRS user. If a DRS user elects to use a surety company other than the one DTC has selected, the surety company selected will be required to issue its Surety Bond in a form consistent with the bond issued by the surety company selected by DTC. For example, the Surety Bond must have a coverage limit of \$7.5 million for each occurrence and an aggregate limit of \$15 million.

(b) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, because it modifies an existing DTC service to allow the establishment of an alternate choice in surety providers which safeguards transactions processed in such service. As such it is a change to an existing service, which will not adversely affect the safeguarding of securities and funds in DTC's control or custody.

4. Self-Regulatory Organization's Statement on Burden on Competition.

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

⁴ On August 22, 2005, the SEC approved a rule filing establishing the DTC Profile Modification System Indemnity Insurance Program ("Indemnity Insurance Program"), which serves as an alternative to PSP.⁴ Users of Profile who agree to the Screen Indemnity have the option to procure Profile Modification System Indemnity Insurance ("Insurance") relating to a particular transaction according to the value of each individual securities transaction rather than paying an annual fee. The Insurance option provides a coverage limit of \$25 million per occurrence per policy, with an annual aggregate limit of \$100 million. In addition to any pass-through fee from the insurer, DTC charges users participating in the Indemnity Insurance Program an annual administration fee of \$250 and a \$2.50 per transaction fee.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not been solicited or received.

6. Extension of Time Period for Commission Action.

DTC does not consent to an extension of the time period specified in Section 19(b)(2) of the Act for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D).

(a) The proposed rule change is to take effect pursuant to paragraph A of Section 19(b)(3).

(b) The proposed rule change effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible; and (ii) does not significantly affect the respective rights or obligations of DTC or persons using this service, as it provides for implementation of an surety program which safeguards transactions processed in DRS.

(c) Not applicable.

(d) Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

The proposed rule change is not based on the rules of another self-regulatory organization or the Commission.

9. Exhibits

Exhibit 1 - Notice of proposed rule change for publication in the Federal Register.

Exhibit 2 - n/a

Exhibit 3 - n/a

Exhibit 4 - n/a

Exhibit 5 - n/a

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____ ; File No. SR-DTC-2008-04)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by The Depository Trust Company (“DTC”) to establish an alternate choice in DTC Profile Surety Providers, which is part of the Profile Modification System feature (“Profile”) of the Direct Registration System (“DRS”) for securities of DTC.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), 15 U.S.C. 78s(b)(1), notice is hereby given that on _____, DTC filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

As discussed below, this rule change establishes an alternate choice in DTC Profile Surety Providers.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(i) On April 19, 2000 the Securities and Exchange Commission (“SEC”) approved a rule filing for the establishment of Profile¹ and in May 2000, DTC implemented Profile. Profile is an electronic communication medium between transfer agents that are DRS Limited Participants (“Limited Participants”) and broker/dealers that are DRS Participants (“Participants”). Profile allows Participants to electronically submit an investor’s instruction to move a share position from the investor’s Limited Participant account to the investor’s Participant account at DTC (“Electronic Participant Instruction”). Profile also allows Limited Participants to submit an investor’s instruction for the movement of its share positions from the investor’s Participant account at DTC to an account maintained by the Limited Participant (“Electronic Limited Participant Instruction” and, together with Electronic Participant Instructions, “Electronic Instructions”). A user submitting an Electronic Instruction through Profile is required to agree to a Participant Terminal System (“PTS”) screen indemnity (the “Screen Indemnity”).

On November 17, 2000 the SEC approved a rule filing which established the DTC Profile Surety Program (“PSP”).² Under PSP, all users of Profile who agree to the Screen Indemnity as part of their use of Profile must procure a surety bond relating to their obligations under such indemnity. PSP requires a surety bond to back the representations a guarantor makes under the Screen Indemnity in the case of an obligor not honoring its obligations (“Surety Bond”). This provides an additional layer of protection for industry members using DRS and Profile. Participation in PSP requires the payment of an annual premium of \$3,150 to a surety provider and a DTC administration fee of \$250. The current PSP surety provider provides for a coverage limit of \$3 million per occurrence, with an annual aggregate limit of \$6 million, which may not allow for the coverage of larger transactions under a single Surety Bond.³

In order to provide higher coverage under a single Surety Bond, DTC now proposes an alternate choice in DTC Profile Surety Providers. Users of Profile who agree to a Screen Indemnity will now have the option to procure a Surety Bond with a higher coverage limit than currently offered. The coverage limit will be expanded to \$7.5 million per occurrence, with an annual aggregate limit of \$15 million. Users of such surety provider will be required to pay an annual premium of \$6,000 to a surety provider and a DTC administration fee of \$250. The intent of this program is to account for the additional, larger value Profile transactions that DRS currently handles, to provide surety/insurance options to users, and for contingency planning (i.e., if a provider is no longer able to provide insurance/surety.) Users will be permitted to participate with each

¹ File No. SR-DTC-00-04.

² File No. SR-DTC-00-09.

³ On August 22, 2005, the SEC approved a rule filing establishing the DTC Profile Modification System Indemnity Insurance Program (“Indemnity Insurance Program”), which serves as an alternative to PSP.³ Users of Profile who agree to the Screen Indemnity have the option to procure Profile Modification System Indemnity Insurance (“Insurance”) relating to a particular transaction according to the value of each individual securities transaction rather than paying an annual fee. The Insurance option provides a coverage limit of \$25 million per occurrence per policy, with an annual aggregate limit of \$100 million. In addition to any pass-through fee from the insurer, DTC charges users participating in the Indemnity Insurance Program an annual administration fee of \$250 and a \$2.50 per transaction fee.

provider but will continue to be required to select only one provider per Profile transaction.

The surety company issuing the Surety Bond will either be a company selected by DTC as the administrator of such program, or a surety company selected by the DRS user. If a DRS user elects to use a surety company other than the one DTC has selected, the surety company selected will be required to issue its Surety Bond in a form consistent with the bond issued by the surety company selected by DTC. For example, the Surety Bond must have a coverage limit of \$7.5 million for each occurrence and an aggregate limit of \$15 million.

(ii) The proposed rule change is consistent with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder, applicable to DTC because it modifies an existing DTC service to establish an alternate choice in surety providers which safeguards transactions processed in such service. Therefore, it will not adversely affect the safeguarding of funds or securities in DTC's custody and control, or for which it is responsible.

B. Self-Regulatory Organization's Statement on Burden on Competition.

DTC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others.

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify the Commission of any written comments received by DTC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The forgoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

- Electronic comments may be submitted by using the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>), or by sending an e-mail to

rule-comment@sec.gov. Please include File No. SR-DTC-2008-04 on the subject line.

- Paper comments should be sent in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington D.C. 20549-1090.

All submissions should refer to File Number SR-DTC-2008-04. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C §552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington D.C. 20549-9303. Copies of such filing also will be available for inspection and copying at DTC's principal office and on DTC's Web site at www.dtc.org. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to the file number above and should be submitted within _____ days after the date of publication.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Nancy M. Morris