

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

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)

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.

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.

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.

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.

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.

1. Text of the Proposed Rule Change.

(a) The Depository Trust Company (“DTC”) proposes to make processing enhancements to its Profile Modification System feature (“Profile”) of the Direct Registration System (“DRS”) for securities of DTC.¹ Upon implementation of the proposal, all DRS eligible transfer agents (“DRS Limited Participants”) will be required to enhance their processing system to accept DRS Profile instructions to “move-all” the shares from the investor’s DRS Limited Participant account to the investor’s Participant account.

(b) Not applicable

(c) Not applicable

2. Procedures of the Self-Regulatory Organization.

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) DRS enables Participants and DRS Limited Participants to electronically move an investor’s securities positions between street-name ownership and direct registration book-entry position. Through the utilization of the Fast Automated Securities Transfer Program (“FAST”), DRS also allows for the transfer of the position from the books of the issuer to a financial intermediary through the facilities of DTC. For securities that are part of FAST, the DRS Limited Participants hold the securities registered in the name of DTC’s nominee, Cede & Co., in the form of balance certificates. As additional securities are deposited or withdrawn (“deposit-by-transfer” and “withdrawal-by-transfer”, respectively) from DTC, the DRS Limited Participant adjusts the denomination of the balance certificate as appropriate, and electronically confirms these changes with DTC. As such, the program reduces the movement of physical certificates between DTC and DRS Limited Participants, reducing costs and risks to DTC, its Participants, issuers and transfer agents associated with the creation, movement, and storing of certificates.²

In May 2000, Profile was implemented by DTC to electronically convey an investor’s request to move from one form of securities ownership to another. Profile is

¹ DRS is more fully described in Securities Exchange Release Act No. 34-37931 (November 7, 1996) (File No. SR-DTC-96-15). Profile is more fully described in Securities Exchange Release Act No. 34-42704 (April 19, 2000) (File No. SR-DTC-00-04).

² For a description of DTC’s current rules relating to FAST, see Securities Exchange Act Release Nos. 34-13342 (March 8, 1977) (File No. SR-DTC-76-3); 34-14997 (July 26, 1978) (File No. Sr-DTC-78-11); 34-21401 (October 16, 1984) (File No. SR Dtc-84-8); 34-31941 (March 3, 1993) (SR-DTC-92-15); and 34-46956 (December 2, 2002) (File No. SR-DTC 2002-15). In addition, DTC has filed a proposed rule change with the SEC to update requirements relating to its FAST and DRS programs (See Securities Exchange Act Release No. 34-57362 (February 20, 2008) (File No. SR-DTC-2006-16).

an electronic communication medium between DRS Limited Participants and DTC Participants. Profile allows Participants to electronically submit an investor's instruction that its share positions be moved from the investor's DRS Limited Participant account to the investor's Participant account at DTC. Profile also allows DRS 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 DRS Limited Participant. Currently, DTC receives, on average, approximately 50,000 DRS Profile instructions per month and that volume is expected to rise. On a daily basis, approximately 88% of the withdrawal-by transfer transactions received by DTC are for DRS eligible issues, and as such can be processed by issuing DRS statements as a less costly and less risk-laden method than issuing of physical securities certificates.

As the use of DRS continues to grow, attention has centered on reducing DRS Profile rejections. In order to effectively transfer ownership via Profile, an investor's instructions to move ownership from one form of securities ownership to another is communicated by a DTC Participant entering certain identifying criteria of the investor, such as share quantity and TIN/Social Security numbers, into Profile. If the submitted information does not match the information the DRS Limited Participant has on file, the result is a Profile rejection, which, in many cases, results in a fee assessed by the DRS Limited Participant. More importantly, the rejection can result in delays in moving the position, possibly causing an investor to miss the market.

Today, nearly 25% of all Profile transactions submitted are rejected by the transfer agent. The two most common reasons for a rejection are a) not matching on share quantity, or b) not matching on a TIN/Social Security number. By implementing systemic and process improvements to address these rejections, the DRS Ad Hoc Committee has agreed that the industry can potentially eliminate about 7,000 DRS Profile rejections a month.

In an effort to decrease the number of Profile rejections in the DRS Profile system, members of the DRS Ad Hoc Committee have agreed that DTC will enhance the DRS Profile functionality and that these function changes will be required of all industry users of the DRS system. The proposed functionality changes will require system enhancements by those DRS Limited Participants and DTC Participants that process their DRS transactions through a direct electronic computer-to-computer link with DTC.³ The enhancements require their processing systems, to accept DRS Profile instructions to "move-all" shares from the investor's DRS Limited Participant account to the investor's DTC Participant's account. A second enhancement will allow DTC Participants to submit Profile transactions with a second TIN/Social security number. The DRS Limited Participant will accept the Profile transaction, verifying to the agent's records using either of the TIN/Social numbers that were submitted.

DTC proposes to make the following enhancements to Profile functionality:

³ It is anticipated that for those users that communicate Profile instructions through DTC via a dedicated terminal (PTS or PBS); they will only need to update their internal procedures and workflow.

1. Move-All: Instead of a DTC Participant entering a specific share quantity/dollar value in their Profile instruction, the DTC Participant can elect to pick from a list one of the following options: (1) Move-all of the investor's full shares to the requesting DTC Participant's account; (2) Move-all of the investor's full shares to the requesting DTC Participant's account, liquidate any fractions in the account, and have the cash proceeds mailed directly to the investor; or (3) Move-all of the investor's full shares to the requesting DTC Participant's account, liquidate any fractions in the account, have the cash proceeds mailed directly to the investor and close the investor's DRS/Dividend Reinvestment Plan (DRIP) account.

By using the "move-all" functionality, the DTC Participants can forgo referencing a specific share quantity in the DRS Profile instruction and as such eliminate a major cause of DRS Profile rejections.

2. Dual TIN/Social Security: Instead of entering one TIN/Social Security number, a DTC Participant can elect to submit a Profile instruction with two TINs or Social Security numbers. A DTC Participant will take this action when the investor account is a joint account. For those Profile instructions with two TIN/Social Security Numbers, the DRS Limited Participant will take steps to match the Profile instruction records to the DRS Limited Participant's records for the investor account. The DRS Limited Participant will only need to match on one of the TIN/Social numbers, not both.

Members of the DRS Ad Hoc committee have agreed to a one time remuneration to compensate DRS Limited Participants for the system development of the enhancements contemplated under the move-all proposal. DTC Participants will pay seventy-five percent, with a maximum of \$200,000, of all system cost for project plans submitted by September 1, 2008. For project plans that will be managed by a vendor, such as SunGard, DTC Participants will pay based on the vendor's total project cost. DTC will act as a conduit to collect and distribute the remuneration from the DTC Participants to the DRS Limited Participants. DRS Limited Participants must submit a project plan to DTC by September 1, 2008 and be ready to implement the move-all Profile functionality in a live environment by November 1, 2008 to be eligible to receive the system cost remuneration. DTC will make a one time payment to eligible DRS Limited Participants no later than 90 calendar days after the completion of the move all and dual TIN/Social security functionality going live. DTC will collect a surcharge of \$1, for no more than twenty-four calendar months, for each DRS Profile transaction submitted by a DTC Participant to offset the up-front allocation to the DRS Limited Participants. In any event, at the end of twenty-four calendar months or sooner if all of the up-front allocation is collected, DTC will eliminate the surcharge.

DRS Limited Participants who wish to receive a transactional fee for the ongoing processing to support the move-all transactions must submit their project plan by September 1, 2008. The DRS Limited Participants' representatives of the DRS Ad Hoc

Committee have submitted that the monthly transactional fee will be no more than \$25,000 per year per DRS Limited Participant. DTC will pay each eligible DRS Limited Participant, with over 2,000 DRS Profile transactions monthly, a set monthly amount of \$2,080, or \$24,960 annually. DTC will pay each eligible DRS Limited Participant, with over 200 transactions monthly but less than 2,000 transactions monthly, a set monthly amount of \$800, or \$9,600 annually. DTC will not pay a fee to DRS Limited Participants with less than 200 transactions a month.

DTC will implement a pass-thru fee for each DRS Profile Transaction of \$.75 per Profile transaction, to offset the payments to the DRS Limited Participants. The pass-thru fee will be adjusted annually to reflect DRS Profile transactional volume changes.

As part of the DRS transfer agent eligibility requirements, **all** DRS eligible transfer agents must provide move-all and dual TIN/Social Security number processing by a date that is no later than December 31, 2008.

(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 a DTC service to allow the implementation of an surety program which safeguards transactions processed in such service. As such it is a change to an existing service, which will not 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.

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. The DRS enhancements described below were agreed to by the DRS Ad Hoc Committee.

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) Not applicable.

- (b) Not applicable.
- (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-2008-07)

SELF-REGULATORY ORGANIZATIONS

Proposed Rule Change by The Depository Trust Company ("DTC") to make processing enhancements to its Profile Modification System ("Profile") feature 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 proposes processing enhancements to DTC's Profile system relating to DRS.

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) DRS enables Participants and DRS Limited Participants to electronically move an investor's securities positions between street-name ownership and direct registration book-entry position. Through the utilization of the Fast Automated Securities Transfer Program ("FAST"), DRS also allows for the transfer of the position from the books of the issuer to a financial intermediary through the facilities of DTC. For securities that are part of FAST, the DRS Limited Participants hold the securities registered in the name of DTC's nominee, Cede & Co., in the form of balance certificates. As additional securities

are deposited or withdrawn (“deposit-by-transfer” and “withdrawal-by-transfer”, respectively) from DTC, the DRS Limited Participant adjusts the denomination of the balance certificate as appropriate, and electronically confirms these changes with DTC. As such, the program reduces the movement of physical certificates between DTC and DRS Limited Participants, reducing costs and risks to DTC, its Participants, issuers and transfer agents associated with the creation, movement, and storing of certificates.¹

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Profile functionality in a live environment by November 1, 2008 to be eligible to receive the system cost remuneration. DTC will make a one time payment to eligible DRS Limited Participants no later than 90 calendar days after the completion of the move all and dual TIN/Social security functionality going live. DTC will collect a surcharge of \$1, for no more than twenty-four calendar months, for each DRS Profile transaction submitted by a DTC Participant to offset the up-front allocation to the DRS Limited Participants. In any event, at the end of twenty-four calendar months or sooner if all of the up-front allocation is collected, DTC will eliminate the surcharge.

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As part of the DRS transfer agent eligibility requirements, **all** DRS eligible transfer agents must provide move-all and dual TIN/Social Security number processing by a date that is no later than December 31, 2008.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if

it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed change should be disapproved.

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-2008-07 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-2008-07. 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